

**Louisiana Assessors' Insurance Fund
Baton Rouge, Louisiana
Financial Report
December 31, 2024**

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Independent Auditor's Report

Ms. Kathy Bertrand, Executive Director,
and the Insurance Committee of
Louisiana Assessors' Insurance Fund
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Louisiana Assessors' Insurance Fund, which comprise the statements of net position as of December 31, 2024 and 2023, and the related statements of revenues, expenses, and change in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Louisiana Assessors' Insurance Fund as of December 31, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Louisiana Assessors' Insurance Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Louisiana Assessors' Insurance Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Louisiana Assessors' Insurance Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Louisiana Assessors' Insurance Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 – 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Louisiana Assessors' Insurance Fund's basic financial statements. The accompanying schedules of per diem payments and schedule of compensation, benefits, and other payments to agency head or chief executive officer are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of per diem payments and schedule of compensation, benefits, and other payments to agency head or chief executive officer are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2025, on our consideration of the Louisiana Assessors' Insurance Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts and other matters. The purpose of that report is solely 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 effectiveness of the Louisiana Assessors' Insurance Fund's 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 Louisiana Assessors' Insurance Fund's internal control over financial reporting and compliance.

Hawthorn, Waymouth & Carroll, LLP.

June 12, 2025

**Louisiana Assessors' Insurance Fund
Management's Discussion and Analysis
December 31, 2024**

The following is management's discussion and analysis of Louisiana Assessors' Insurance Fund ("the Plan") for the year ended December 31, 2024, which highlights relevant aspects of the basic financial statements and provides an analytical overview of the Plan's financial activities.

FINANCIAL HIGHLIGHTS

Assets decreased by approximately \$1,125,000 or 12.5%, from 2023 to 2024.

The Plan's net position decreased approximately \$1,307,000 in 2024, compared to an increase in net position of approximately \$1,101,000 in 2023.

The amount of premiums earned increased approximately \$753,000 and claims expenses increased approximately \$2,483,000 from the prior year amounts.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the Plan's basic financial statements, together with the related notes to the financial statements, required supplementary information, and the supporting schedules, all of which are described as follows.

Statements of Net Position – These statements report the Plan's assets, liabilities, and net position as of December 31, 2024 and 2023. The difference between the total assets and liabilities is represented as net position and is an indicator of the surplus generated by the Fund for all years of operation. The change in net position can be a useful measure of whether the financial position of the Fund is improving or deteriorating.

Statements of Revenues, Expenses, and Change in Net Position – These statements report the Plan's revenues, expenses, and change in net position for the years ended December 31, 2024 and 2023. These statements show the revenues generated along with the associated expenses. The difference in revenues and expenses is presented as the change in net position from one year to another.

Statements of Cash Flows – These statements report the net increase or decrease in cash for the years ended December 31, 2024 and 2023.

Notes to the Financial Statements – The financial statement notes provide additional information that is essential to a complete understanding of the data set forth in the financial statements. They are considered an integral part of the financial statements. A description of the information provided in the notes is as follows:

Note 1 (Plan Description) provides a general description of the Plan. Information is included regarding the insurance committee, plan membership, and a description of the basic insurance benefits.

Note 2 (Summary of Significant Accounting Policies) provides information about the accounting methods and policies used in determining amounts shown on the financial statements. Information relative to the basis of accounting, the determination of estimates, cash and cash equivalents, receivables and related revenue, furniture and equipment, unpaid claims liability, net position, income taxes, and reclassifications.

Note 3 (Deposits) provides information on cash and related custodial credit risk.

Note 4 (Furniture and Equipment) details the cost of the Plan's fixed assets as well as related depreciation expense and accumulated depreciation.

**Louisiana Assessors' Insurance Fund
Management's Discussion and Analysis
December 31, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Note 5 (Claims Expense and Unpaid Claims Reserve) describes changes in the aggregate unpaid claims liabilities from December 31, 2023 to December 31, 2024.

Note 6 (Excess Insurance Policy Coverage and Other Premiums) outlines the excess insurance policy guidelines and limitations and provides details on other premium collected and remitted throughout the year.

Note 7 (Administrative and Other Operating Expenses) details the administrative expenses incurred throughout the year.

Note 8 (Related Party Transactions) provides descriptions of transactions between the Plan and its related parties, Louisiana Assessors' Association and Louisiana Assessors' Retirement Fund.

Note 9 (Prior Period Adjustment) provides details on a prior period adjustment to correct an error in the financial statements as of and for the year ended that December 31, 2023.

Note 10 (Subsequent Events) provides the date through which subsequent events have been evaluated for disclosure in the financial statements.

LOUISIANA ASSESSORS' INSURANCE FUND'S FINANCIAL ANALYSIS

The Plan is a cost sharing, multiple-employer, insurance plan covering assessors and their employees employed by any parish of the state of Louisiana, under the provisions of Louisiana Revised Statute 47:1922, effective August 30, 1988. The Plan is a qualified plan as defined by the Internal Revenue Code, effective January 1, 1998. Insurance benefits are funded through premium income.

**Condensed Statements of Net Position
December 31, 2024, 2023, and 2022**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2024 Percentage Change</u>
Total Assets	\$ 7,849,322	\$ 8,974,711	\$ 8,249,467	-12.5%
Total Liabilities	<u>(1,210,970)</u>	<u>(1,029,771)</u>	<u>(1,405,923)</u>	17.6%
Net Position	<u>\$ 6,638,352</u>	<u>\$ 7,944,940</u>	<u>\$ 6,843,544</u>	-16.4%

Assets include cash, rebates receivable, excess insurance receivable, and other receivables. Total assets decreased by 12.5% from the prior year. The decrease was due to a decrease in cash which resulted from an increase in payments for claims. Liabilities include accounts payable and unpaid claims. Total liabilities increased 17.6% from the previous year. The increase was due to more claims payable as of December 31, 2024.

**Louisiana Assessors' Insurance Fund
Management's Discussion and Analysis
December 31, 2024**

LOUISIANA ASSESSORS' INSURANCE FUND'S FINANCIAL ANALYSIS (Continued)

**Condensed Statements of Revenues, Expenses, and Change in Net Position
Years Ended December 31, 2024, 2023, and 2022**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2024 Percentage Change</u>
Revenues and Expenses				
Revenues	\$ 17,350,730	\$ 16,602,539	\$ 16,332,536	
Administrative fees	<u>222,513</u>	<u>222,462</u>	<u>223,193</u>	
Total revenues	<u>17,573,243</u>	<u>16,825,001</u>	<u>16,555,729</u>	4.4%
Claims expenses and insurance premiums	18,226,687	15,073,621	14,958,668	
Administrative and other operating expenses	<u>653,144</u>	<u>649,984</u>	<u>1,496,408</u>	
Total expenses	<u>18,879,831</u>	<u>15,723,605</u>	<u>16,455,076</u>	20.1%
Change in Net Position	<u>\$ (1,306,588)</u>	<u>\$ 1,101,396</u>	<u>\$ 100,653</u>	

Revenues include members' premiums and interest income. Total revenue increased 4.4% compared to prior year. The increase was due to an increase in members and an increase in fully insured premiums, specifically premiums for life and accidental death and dismemberment (AD&D) insurance. Total expenses increased 20.1% compared to prior year due to an increase in claims. The increase in claims expenses was primarily the result of higher healthcare costs, growth in the number of plan participants, and an elevated stop-loss threshold, which reduced recoveries under the Plan's stop-loss policy.

Requests for Information

This annual financial report is designed to provide a general overview of the Plan's finances for interested parties. Questions concerning any of the information provided herein or requests for additional financial information should be addressed to Louisiana Assessors' Insurance Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

Financial Statements

Louisiana Assessors' Insurance Fund
Statements of Net Position
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Assets		
Cash	\$ 6,671,567	\$ 8,323,077
Rebates receivable	1,088,087	552,355
Excess insurance receivable	59,578	59,512
Other receivables	<u>30,090</u>	<u>39,767</u>
Total assets	<u><u>\$ 7,849,322</u></u>	<u><u>\$ 8,974,711</u></u>
Liabilities and Net Position		
Liabilities		
Accounts payable	\$ 1,321	\$ 3,286
Unpaid claims liability	<u>1,209,649</u>	<u>1,026,485</u>
Total liabilities	1,210,970	1,029,771
Net Position	<u>6,638,352</u>	<u>7,944,940</u>
Total liabilities and net position	<u><u>\$ 7,849,322</u></u>	<u><u>\$ 8,974,711</u></u>

The accompanying notes are an integral part of these financial statements.

Louisiana Assessors' Insurance Fund
Statements of Revenues, Expenses, and Change in Net Position
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues		
Premiums earned	\$ 16,960,254	\$ 16,207,335
Interest income	390,476	395,204
Administrative fees	<u>222,513</u>	<u>222,462</u>
Total revenues	<u>17,573,243</u>	<u>16,825,001</u>
Expenses		
Claims expense	15,437,167	12,953,717
Excess insurance and other premiums	2,789,520	2,119,904
Administrative and other operating expenses	<u>653,144</u>	<u>649,984</u>
Total expenses	<u>18,879,831</u>	<u>15,723,605</u>
Change in Net Position	(1,306,588)	1,101,396
Net Position		
Beginning of year	<u>7,944,940</u>	<u>6,843,544</u>
End of year	<u>\$ 6,638,352</u>	<u>\$ 7,944,940</u>

The accompanying notes are an integral part of these financial statements.

Louisiana Assessors' Insurance Fund
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Receipts from premiums collected	\$ 16,967,966	\$ 16,187,133
Payments made for premiums	(2,789,520)	(2,119,904)
Receipts from administrative fees collected	222,513	222,462
Receipts from other income	390,410	389,536
Payments made for claims, net excess insurance and rebates	(15,789,735)	(13,873,588)
Payments made for administrative expenses	<u>(653,144)</u>	<u>(649,984)</u>
Net cash provided by (used in) operating activities	<u>(1,651,510)</u>	<u>155,655</u>
Cash Flows for Investing Activities		
Proceeds from matured certificates of deposit	<u>-</u>	<u>4,000,000</u>
Net cash provided by investing activities	<u>-</u>	<u>4,000,000</u>
Net Increase (Decrease) in Cash	(1,651,510)	4,155,655
Cash, beginning of year	<u>8,323,077</u>	<u>4,167,422</u>
Cash, end of year	<u><u>\$ 6,671,567</u></u>	<u><u>\$ 8,323,077</u></u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:		
Change in net position	\$ (1,306,588)	\$ 1,101,396
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:		
(Increase) Decrease in assets:		
Rebate receivable	(535,732)	(552,355)
Excess insurance receivable	(66)	(5,668)
Other receivables	9,677	(11,566)
Increase (Decrease) in liabilities:		
Accounts payable	(1,965)	(8,636)
Unpaid claims liability	<u>183,164</u>	<u>(367,516)</u>
Net cash provided by (used in) operating activities	<u><u>\$ (1,651,510)</u></u>	<u><u>\$ 155,655</u></u>

The accompanying notes are an integral part of these financial statements.

Louisiana Assessors' Insurance Fund
Notes to Financial Statements
December 31, 2024

Note 1-Plan Description

The following description of Louisiana Assessors' Insurance Fund ("the Plan"), a public entity risk pool, provides only general information. Participants should refer to the Plan agreement for a complete description of the Plan's provisions.

The Plan provides health and other benefits covering all assessors and assessors' employees throughout the state of Louisiana. Participation is voluntary and participants may withdraw by giving proper notice. The Plan's general objective is to formulate, develop, and administer, on behalf of the participating members, a program of inter-local risk management to obtain lower cost for insurance coverage. Contributions required by the Plan are determined by the Insurance Committee of Louisiana Assessors' Association ("the Association"). The Plan and related trust were established on August 30, 1988, pursuant to Louisiana Revised Statute 47:1922.

The Plan provides health benefits (medical, hospital, surgical, major medical, and dental), life insurance coverage, long-term disability benefits, vision, and death benefits to participants and to their beneficiaries and covered dependents. All members of the Plan hired on or before September 30, 2013, shall be eligible for participation in the benefits of the Plan upon written application for such allowance to the Insurance Committee if (1) the member has twelve years or more of creditable service and has attained the age of fifty-five, or (2) the member has thirty or more years of creditable service, regardless of age. All members of the Plan hired on or after October 1, 2013, shall be eligible for participation in the benefits of the Plan upon written application for such allowance to the Insurance Committee if (1) the member has twelve or more years of creditable service and has attained the age of sixty, or (2) the member has thirty or more years of creditable service and has attained the age of fifty-five.

Health and dental claims of active and retired participants, dependents, and beneficiaries are processed by The HealthPlan, the third-party claims administrator, but the responsibility for payments to participants and providers is retained by the Plan. Group life insurance, accidental death and dismemberment insurance, and vision insurance are provided by Guardian Life Insurance Company. Disability coverage and supplemental life insurance are provided by Metropolitan Life Insurance Company.

The Association provides bookkeeping support, as well as other administrative functions, for the Plan.

The Plan is affiliated through common membership and management control with the Association and Louisiana Assessors' Retirement Fund ("the Retirement Fund"). Although these entities are related parties, their various net positions are available only to the individual entity for its operations. For this reason, each entity is presented as a separate "stand alone" entity in accordance with Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*.

The Plan's Insurance Committee, as Administrator, has the right under the Plan to modify the benefits provided to active and retired employees. The Plan may be terminated at any time.

Total membership in the Plan at December 31 is as follows:

	<u>2024</u>	<u>2023</u>
Retirees and dependents receiving health care benefits	421	402
Active plan members	<u>630</u>	<u>631</u>
Total membership	<u><u>1,051</u></u>	<u><u>1,033</u></u>

Louisiana Assessors' Insurance Fund
Notes to Financial Statements
December 31, 2024

Note 2-Summary of Significant Accounting Policies

A. Basis of Accounting

The financial statements of the Plan have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units and promulgated by the GASB *Codification of Governmental Accounting and Financial Reporting Standards*.

The Plan is considered an enterprise fund and, accordingly, uses the accrual method of accounting and the flow of economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. The Plan applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 in accounting for its operations unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

Since the business of the Plan is essentially that of an insurance company, having a business cycle greater than one year, the statements of net position are not presented in a classified format.

B. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Plan Administrator to make estimates and assumptions that affect certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results may differ from those estimates. Significant estimates made by management which might affect these financial statements include, but are not limited to, unpaid claims.

Unpaid claims liability is established by management based on a review of claims payment history and anticipated future claims. The evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available, and it is reasonably possible that a change in this estimate will occur in the near term.

C. Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments with original maturities of three months or less which are not under investment management for long-term purposes. As of December 31, 2024 and 2023, the Plan had no cash equivalents.

D. Plan Receivables

Rebates receivable

The Plan participates in a pharmacy benefit program that provides prescription drug coverage to eligible members. Under this program, the Plan is entitled to receive manufacturer rebates based on the volume and type of prescription drugs dispensed to its members. These rebates are negotiated and administered by the Plan's pharmacy benefit manager (PBM). Rebates receivable represent amounts due from pharmaceutical manufacturers and/or the PBM for prescription drug claims incurred prior to the financial statement date. The receivable is estimated based on contractual terms, historical rebate collections, claims data, and information provided by the PBM. Management believes the estimate to be reasonable and collectible; however, actual results may differ due to timing and adjustments by the PBM or manufacturers.

Louisiana Assessors' Insurance Fund
Notes to Financial Statements
December 31, 2024

Note 2-Summary of Significant Accounting Policies (Continued)

D. Plan Receivables (Continued)

Rebates receivable (Continued)

Rebate revenue is recognized in the period in which the related prescription drug claims are incurred, as this is when the Plan becomes entitled to the rebate under the terms of the agreement. Rebates are recorded as a reduction of claims expense in the statements of revenues, expenses, and change in net position.

Excess insurance receivable

The Plan uses excess insurance to reduce its exposure to large losses on insured events. Further description of the excess insurance coverage is provided in Note 6. Excess insurance permits recovery of a portion of losses from excess insurers, although it does not discharge the primary liability of the Plan as direct insurer of the risk reinsured. The Plan does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by excess insurers. Claims expenses consist of claims incurred during the current year, adjustments to the accounting estimate of prior years' claims expense, and a reduction for claims covered by the excess insurer in accordance with the excess insurance policy.

Excess insurance receivable represents an amount due from the excess carrier for claims incurred and paid by the Plan that exceed the agreed upon threshold. These receivables are recorded when the underlying claims are paid, and it is probable that recovery from the excess insurer will occur and can be reasonably estimated. The Plan evaluates the collectability of these receivables based on contractual provisions, historical recovery experience, and the financial condition of the excess insurer. Any adjustments to previously recorded excess insurance receivables are recognized in the period in which new information becomes available.

Other receivables

The Plan receives quarterly subsidies from the U.S. Department of Health and Human Services (HHS) for a portion of the prescription drug costs incurred on behalf of Medicare-eligible retirees. Subsidy income is recorded with premiums earned and recognized when it is probable that the subsidy will be received and the amount can be reasonably estimated, which typically occurs in the period in which the related eligible prescription drug claims are incurred. Receivables related to the retiree drug subsidy are recorded as other receivables in the statements of net position.

Premiums are recognized as income over the term of the policies as they become earned. Any adjustments to annual premiums are considered to be a change in estimate and are recognized in the year they become known. Acquisition costs associated with new and renewal contracts are immaterial to the financial statements and are expensed when incurred. Premiums receivable are recorded as other receivables in the statements of net position and represent amounts due from participating employers, members, and retirees for insurance coverage provided under the Plan. Premiums are typically billed in advance of the coverage period and are recorded as receivables when due, in accordance with the terms of the related contracts.

The Plan considers all receivables to be fully collectible; accordingly, no allowance for credit losses has been established. If accounts become uncollectible, they will be charged to operations when that determination is made. Collections on accounts previously written off are included in other income as received.

Louisiana Assessors' Insurance Fund
Notes to Financial Statements
December 31, 2024

Note 2-Summary of Significant Accounting Policies (Continued)

E. Furniture and Equipment

Furniture and equipment as shown in Note 4 are stated at cost and depreciated over the estimated useful lives of the assets utilizing the straight-line method. It is the Plan's policy to capitalize expenditures for those items in excess of \$500. Lesser amounts are expensed. The estimated useful lives of the assets are as follows:

Furniture and Equipment	7-10 years
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F. Unpaid Claims Liability

The Plan establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported.

The methodology for developing self-insurance reserves is based on management estimates. The estimation process considers, among other matters, the cost of known claims over time, inflation, and incurred but not reported claims. These estimates may change based on, among other things, changes in claims history or receipt of additional information relevant to assessing the claims. Further, these estimates may prove to be inaccurate due to factors such as adverse judicial determinations or other claims settlements at higher or lower than estimated amounts.

Adjustments to claims liabilities are charged or credited to expenses in the period in which they are made. The carrying amount of liabilities for claims losses and claims expenses is presented at the estimated claim amounts in the financial statements.

G. Net Position

The Plan has implemented GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Standard provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of the Plan's net position that is applicable to a future reporting period. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period. As of December 31, 2024 and 2023, the Plan had no deferred inflows or outflows.

H. Income Taxes

The Plan is exempt from federal income taxes under Section 501(c)(9) of the Internal Revenue Code.

I. Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the current year's presentation. These reclassifications had no effect on net position or the change in net position of the prior year.

Note 3-Deposits

As of December 31, 2024, the carrying amount of the Plan's deposit accounts classified as cash was \$6,671,567 and the bank balance was \$6,672,033, of which \$250,000 was protected from custodial credit risk by federal depository insurance. The remainder of the deposit balance was collateralized by a letter of credit issued by the Federal Home Loan Bank.

Louisiana Assessors' Insurance Fund
Notes to Financial Statements
December 31, 2024

Note 4-Furniture and Equipment

Furniture and equipment as of December 31, 2024 and 2023, is as follows:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 13,342	\$ 13,342
Accumulated depreciation	<u>(13,342)</u>	<u>(13,342)</u>
	<u>\$ -</u>	<u>\$ -</u>

There was no depreciation expense for the years ended December 31, 2024 and 2023.

Note 5-Claims Expense and Unpaid Claims Reserve

The following represents changes in the aggregate unpaid claims liabilities for the Plan for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Unpaid claims and loss adjustment expenses at beginning of fiscal year	<u>\$ 1,026,485</u>	<u>\$ 1,394,001</u>
Incurring losses and loss adjustment expenses		
Provision for insured events of current fiscal year	15,283,429	12,981,321
Increases (decreases) in provision for insured events of prior fiscal years	<u>153,738</u>	<u>(27,604)</u>
Total incurred losses and loss adjustment expenses	<u>15,437,167</u>	<u>12,953,717</u>
Payments		
Losses and loss adjustment expenses attributable to insured events of current fiscal year	14,073,780	11,954,836
Losses and loss adjustment expenses attributable to insured events of prior fiscal years	<u>1,180,223</u>	<u>1,366,397</u>
Total payments	<u>15,254,003</u>	<u>13,321,233</u>
Unpaid claims and loss adjustment expenses at end of fiscal year	<u>\$ 1,209,649</u>	<u>\$ 1,026,485</u>

Louisiana Assessors' Insurance Fund
Notes to Financial Statements
December 31, 2024

Note 6-Excess Insurance Policy Coverage and Other Premiums

The Plan obtained excess insurance from a commercial insurer for specific stop loss coverage that will pay after \$275,000 per individual claim with no aggregate amount.

Excess insurance contracts do not relieve the Plan from its obligations to members. Failure of excess insurers to honor their obligations could result in losses to the Plan. Accordingly, the Plan evaluates the financial condition of its excess insurers to minimize its exposure to significant losses from excess insurer insolvency.

The following premiums were collected and remitted to insurance companies for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Excess insurance	\$ 969,452	\$ 934,996
Life and accidental death and dismemberment	1,602,946	973,749
Long-term disability	122,043	114,907
Supplemental life	11,520	14,099
Vision	<u>83,559</u>	<u>82,153</u>
 Total other premiums	 <u>\$ 2,789,520</u>	 <u>\$ 2,119,904</u>

Note 7-Administrative and Other Operating Expenses

The following administrative and other operating expenses were incurred during the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Administrative fees	\$ 156,000	\$ 156,000
Claims administrator	444,764	443,190
Copier reimbursement	1,578	1,577
Office expenses and supplies	15,762	8,333
Other operating expenses	7,959	7,637
Per diem	4,575	5,550
Professional fees	20,586	25,993
Travel	<u>1,920</u>	<u>1,704</u>
 Total administrative and other operating expenses	 <u>\$ 653,144</u>	 <u>\$ 649,984</u>

Louisiana Assessors' Insurance Fund
Notes to Financial Statements
December 31, 2024

Note 8-Related Party Transactions

The Plan is related to the Association and the Retirement Fund through common membership and management. The Plan reimburses the Association for office space, utilities and other shared costs. For the years ended December 31, 2024 and 2023, the reimbursements, which were included in administrative expenses, were comprised of the following:

	<u>2024</u>	<u>2023</u>
Administrative fees	\$ 156,000	\$ 156,000
Copier reimbursement	<u>1,578</u>	<u>1,577</u>
Total	<u>\$ 157,578</u>	<u>\$ 157,577</u>

Note 9-Prior Period Adjustment

A prior period adjustment was made to correct an error for the year ended December 31, 2023, which was to record a pharmacy rebate receivable of \$552,355 and reduce claims expense by \$552,355. As a result of the prior period adjustment, the effect on net position as of December 31, 2023, is as follows:

Net position, as previously reported	\$ 7,392,585
Prior period adjustment	<u>552,355</u>
Net position, as restated	<u>\$ 7,944,940</u>

Note 10-Subsequent Events

Management of the Plan evaluated all subsequent events through June 12, 2025, the date the financial statements were available to be issued. As a result, the Plan noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

Supplementary Information

Louisiana Assessors' Insurance Fund
Schedules of Per Diem Payments
Years Ended December 31, 2024 and 2023

	<u>2024</u>		<u>2023</u>	
	<u>Number of Days</u>	<u>Amount Paid</u>	<u>Number of Days</u>	<u>Amount Paid</u>
Thomas Capella	3	\$ 225	5	\$ 375
Jeffrey Gardner	-	-	6	450
Lucien Gauff	3	225	4	300
Kristin Gonzalez	-	-	5	375
Morgan Herring	5	375	-	-
Rickey Huval	5	375	4	300
Richard Kendrick	5	375	4	300
Gabe Marceaux	4	300	4	300
Daniel Maxwell	3	225	6	450
Billy McBride	3	225	-	-
Heath Pastor	5	375	6	450
Lawrence Patin	5	375	6	450
James Petitjean	4	300	6	450
Blake Phillips	5	375	6	450
Bob Robinson	3	225	4	300
Randy Sexton	3	225	4	300
Stephanie Smith	4	300	-	-
Shelia Walker	<u>1</u>	<u>75</u>	<u>4</u>	<u>300</u>
	<u>61</u>	<u>\$ 4,575</u>	<u>74</u>	<u>\$ 5,550</u>

**Louisiana Assessors' Insurance Fund
Schedule of Compensation, Benefits, and Other Payments to
Agency Head or Chief Executive Officer
Year Ended December 31, 2024**

Gabe Marceaux, President

Purpose	Amount
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Car allowance	-
Vehicle provided	-
Per diem	300
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-



**HAWTHORN
WAYMOUTH
& CARROLL, L.L.P.**
Certified Public Accountants

Louis C. McKnight, III, CPA
Charles R. Pevey, Jr., CPA
David J. Broussard, CPA
Brittany B. Thames, CPA
Kevin M. Rodriguez, CPA

**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***

Ms. Kathy Bertrand, Executive Director,
and the Insurance Committee of
Louisiana Assessors' Insurance Fund
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Louisiana Assessors' Insurance Fund, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Louisiana Assessors' Insurance Fund's basic financial statements, and have issued our report thereon dated June 12, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Assessors' Insurance Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Assessors' Insurance Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Louisiana Assessors' Insurance Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Assessors' Insurance Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the financial statements. 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.

Hawthorn, Waymouth & Carroll, L.L.P.

June 12, 2025

**Louisiana Assessors' Insurance Fund
Schedule of Findings and Responses
Year Ended December 31, 2024**

Part I. Summary of Audit Results

- 1) An unmodified opinion has been expressed on the financial statements of Louisiana Assessors' Insurance Fund as of and for the year ended December 31, 2024, and the related notes to the financial statements.
- 2) No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
- 3) No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.
- 4) A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required.
- 5) A management letter was not issued.

Part II. Findings Related to an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

No findings were noted.

**Louisiana Assessors' Insurance Fund
Summary Schedule of Prior Year Findings
Year Ended December 31, 2024**

Part I. Findings Related to an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

No findings were noted.

Part II. Management Letter

A management letter was not issued for the year ended December 31, 2023.