

LAFAYETTE PARISH ASSESSOR

Lafayette, Louisiana

Financial Report

Year Ended December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

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Honorable Conrad T. Comeaux
Lafayette Parish Assessor
Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Lafayette Parish Assessor (Assessor) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Lafayette Parish Assessor, as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 33 and the schedule of funding progress, employer's share of net pension liability and employer contributions on pages 34 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Assessor has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of, the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Assessor's basic financial statements. The comparative statement of net position, and individual fund statements and schedule of expenditures included on pages 39 through 42 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative statement of net position and individual fund statements on pages 39 through 41 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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, these statements are fairly stated in all material respects in relation to the financial statements as a whole. The prior year comparative information on these statements was derived from the Assessor's 2016 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements as a whole.

The individual fund schedule of expenditures on page 42 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2018 on our consideration of the Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Assessor's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 12, 2018

BASIC FINANCIAL STATEMENTS

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

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Statement of Net Position
December 31, 2017

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 794,333
Revenue receivable, net	3,256,321
Prepaid expenses	<u>5,133</u>
Total current assets	4,055,787
Noncurrent assets:	
Capital assets, net	<u>397,504</u>
TOTAL ASSETS	<u>4,453,291</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>557,925</u>
LIABILITIES	
Current liabilities:	
Accounts payable	<u>3,276</u>
Total current liabilities	<u>3,276</u>
Noncurrent liabilities:	
Compensated absences	66,251
Net OPEB obligation payable	3,011,667
Net pension liability	<u>636,048</u>
Total noncurrent liabilities	<u>3,713,966</u>
TOTAL LIABILITIES	<u>3,717,242</u>
DEFERRED INFLOWS OF RESOURCES	<u>530,133</u>
NET POSITION	
Net investment in capital assets	397,504
Unrestricted	<u>366,337</u>
TOTAL NET POSITION	<u>\$ 763,841</u>

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

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Statement of Activities
For the Year Ended December 31, 2017

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u> Charges for Services	<u>Net (Expense) Revenues and</u> <u>Changes in Net Position</u> Governmental Activities
Governmental activities:			
General government	\$3,900,030	\$ 48,783	\$ (3,851,247)
General revenues:			
Property taxes			3,205,249
State revenue sharing			91,904
Interest and investment earnings			21,029
Non-employer contributions			<u>479,658</u>
Total general revenues			<u>3,797,840</u>
Change in net position			(53,407)
Net position - January 1, 2017			<u>817,248</u>
Net position - December 31, 2017			<u>\$ 763,841</u>

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

FUND FINANCIAL STATEMENTS (FFS)

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Balance Sheet
Governmental Fund
December 31, 2017

	<u>General Fund</u>
ASSETS	
Cash and interest-bearing deposits	\$ 794,333
Revenue receivable-	
Ad valorem taxes, net of allowance for uncollectible taxes of \$32,407	3,161,006
State revenue sharing	62,916
Tax roll fees	32,399
Prepaid expenses	<u>5,133</u>
 Total assets	 <u>\$ 4,055,787</u>
 LIABILITIES AND FUND BALANCE	
 Liabilities:	
Accounts payable	<u>\$ 3,276</u>
 Fund balance:	
Nonexpendable	5,133
Unassigned	<u>4,047,378</u>
Total fund balances	<u>4,052,511</u>
 Total liabilities and fund balance	 <u>\$ 4,055,787</u>

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

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
For the Year Ended December 31, 2017

Total fund balance for the governmental fund at December 31, 2017		\$ 4,052,511
Capital assets at December 31, 2017:	\$1,289,808	
Less: Accumulated depreciation	<u>(892,304)</u>	397,504
The deferred outflows of contributions for the assessor employees' retirement system are not available resources and, therefore, are not reported in the funds.		557,925
Noncurrent liabilities at December 31, 2017:		
Compensated absences	(66,251)	
Net OPEB obligation payable	(3,011,667)	
Net pension payable	<u>(636,048)</u>	(3,713,966)
The deferred inflows of contributions for the assessor employees' retirement system are not payable from current expendable, resources and, therefore, are not reported in the funds.		<u>(530,133)</u>
Net position at December 31, 2017		<u>\$ 763,841</u>

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

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2017

	<u>General Fund</u>
Revenues:	
Intergovernmental revenues -	
Ad valorem taxes	\$ 3,205,249
State revenue sharing	91,904
Tax roll fees	48,783
Interest income	21,029
Total revenues	<u>3,366,965</u>
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	2,541,680
Operating services	527,998
Materials and supplies	94,636
Capital outlay	103,563
Total expenditures	<u>3,267,877</u>
Excess of revenues over expenditures	99,088
Fund balance, beginning of year	<u>3,953,423</u>
Fund balance, ending of year	<u>\$ 4,052,511</u>

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

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Fund
to the Statement of Activities
For the Year Ended December 31, 2017

Total net change in fund balance for the year ended December 31, 2017 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 99,088
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 103,563	
Depreciation expense for the year ended December 31, 2017	<u>(97,092)</u>	6,471
<p>Differences between the amount reported as expenses in the statement of activities and those reported as expenditures in the fund financial statements</p>		
Compensated absences	2,954	
OPEB benefits	(343,379)	
Pension expense	<u>(298,199)</u>	(638,624)
Nonemployer's contribution to the assessor employees' pension plan		<u>479,658</u>
Total change in net position for the year ended December 31, 2017 per Statement of Activities		<u>\$ (53,407)</u>

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

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the Assessor is elected by the voters of the parish and serves a term of four years. The Assessor assesses all real and movable property in the parish, prepares the tax rolls and submits the rolls to the Louisiana Tax Commission as prescribed by law.

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

Such accounting and reporting procedures also conform to the industry audit, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

For financial reporting purposes, the Assessor includes all funds that are controlled by the Assessor as an independently elected parish official.

The Assessor is a "primary government" as defined in GASB pronouncements, since the Assessor has the power to designate management, the ability to significantly influence operations of his office (which includes the hiring or retention of employees, Assessor over budgeting, responsibility for deficits, and the receipt and disbursement of funds), and primary accountability for fiscal matters. The Assessor has no component units.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Assessor's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

The accounts of the Assessor are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund of the Assessor is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Assessor is described below:

Governmental Fund -

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Assessor and is used to account for the operations of the Assessor's office. The various fees and charges due to the Assessor's office are accounted for in this fund. General operating expenditures are paid from this fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

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

Cash and interest-bearing deposits

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

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 \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Furniture, fixtures and equipment	3-10 years
Building improvements	20-39 years

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Compensated Absences

Employees of the Assessor's office earn 6.5 to 24 days of vacation leave each year, depending on length of service. In addition, employees earn 12 days of sick leave each year. Upon resignation or retirement, employees are paid a maximum of 30 days of unused vacation leave at the employee's current rate of pay. Sick leave may be accumulated to a maximum of 137 days; however, employees are not paid for unused sick leave upon resignation or retirement. At December 31, 2017, the Assessor has \$66,251 of non-current accumulated leave benefits required to be reported in accordance with GASB Statement No. 16 "Accounting for Compensated Absences" which is for governmental activities.

Equity Classifications

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

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

The Assessor had no restricted net position at December 31, 2017.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

1. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Assessor, which is the highest level of decision-making authority for the Assessor.

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Assessor’s adopted policy, only the Assessor may assign amounts for specific purposes.
5. Unassigned – all other spendable amounts.

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

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Assessor may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Assessor may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2017, the Assessor has cash and cash equivalents (book balances) totaling \$794,333, which consist of demand deposits and are applicable to governmental activities.

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

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

Deposit balances (bank balances) at December 31, 2017 in the amount of \$856,208 were secured with \$250,000 of federal deposit insurance and pledged securities of \$606,208. Deposits secured by pledged securities were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Assessor's name (Category 3 deposits). Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Assessor that the fiscal agent has failed to pay deposited funds upon demand. The Assessor does not have a policy for custodial credit risk.

(3) Capital Assets

Capital asset balances and activity for the year ended December 31, 2017 is as follows:

	Balance 01/01/17	Additions	Deletions	Balance 12/31/17
Capital assets not depreciated:				
Construction in progress	\$ 57,210	\$ -	\$57,210	\$ -
Other capital assets:				
Furniture, fixtures and equipment	981,871	160,773	-	1,142,644
Building improvements	147,164	-	-	147,164
Totals	1,186,245	160,773	57,210	1,289,808
Less: Accumulated depreciation	795,212	97,092	-	892,304
Net capital assets	\$ 391,033	\$ 63,681	\$57,210	\$ 397,504

Depreciation expense for the year ended December 31, 2017 of \$97,092 was charged to the general government function.

(4) Post Retirement Health Care and Life Insurance Benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended December 31, 2009 the Assessor began to recognize the cost of postemployment healthcare in the year when employee services are received, to report the accumulated liability from prior years, and to provide information useful in assessing potential demands on the Assessor's future cash flows. Because the Assessor adopted the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years is phased in over 30 years, commencing with the 2009 liability.

Plan Description: The Lafayette Parish Assessor's medical benefits are provided through the Louisiana Assessor's Retirement Fund and are made available to employees upon actual retirement.

Funding Policy: The Assessor pays 100 percent of the monthly premiums for benefits for retirees, and similar benefits for active employees. The Assessor recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

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

The following table shows the components of the Assessor's annual OPEB cost for the year ended December 31, 2017, the amount actually contributed to the plan, and changes in the Assessor's net OPEB obligation:

Annual required contribution	\$ 582,730
Interest on net OPEB obligation	106,732
Adjustment to annual required contribution	<u>(175,005)</u>
Annual OPEB cost	514,457
Contributions made	<u>(171,078)</u>
Increase in net OPEB obligation	343,379
Net OPEB obligation - beginning of year	<u>2,668,288</u>
Net OPEB obligation - end of year	<u>\$ 3,011,667</u>

The Assessor's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of 2015, 2016, and 2017 follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2015	\$ 533,950	26.2%	\$ 2,300,538
12/31/2016	523,866	29.8%	2,668,288
12/31/2017	514,457	33.3%	3,011,667

Funded Status and Funding Progress: The funded status of the plan as of January 1, 2017 was as follows:

Actuarial accrued liability (AAL)	\$ 5,025,134
Actuarial valuation of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 5,025,134</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan member)	<u>\$ 1,546,623</u>
UAAL as a percentage of covered payroll	324.91%

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

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

The schedule of funding progress included in required supplementary information following the notes to the financial statements presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. In accordance with GASB Statement No. 45, the Assessor qualifies for valuations on a tri-annual basis. The latest actuarial valuation was performed January 1, 2017.

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

In the January 1, 2017 actuarial valuation (the most recent valuation) the unit credit actuarial cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. Investment return of 4.0% per annum, compounded annually.
2. Retirement Rates – (Rates are the same for both male and female.)

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

3. Withdrawal Rates– (Rates are the same for both male and female.)

Age	Rate
<1 - 1	12.0%
2 - 6	5.0%
7 - 8	4.0%
9 - 12	3.0%
13-14	2.0%
15 and over	1.0%

LAFAYETTE PARISH ASSESSOR
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Notes to Basic Financial Statements (Continued)

4. Disability Rates

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
18-34	0.006%	48	0.033%
35	0.007%	49	0.038%
36-37	0.008%	50	0.043%
38	0.010%	51	0.049%
39	0.011%	52	0.055%
40	0.012%	53	0.063%
41	0.014%	54	0.071%
42	0.016%	55	0.081%
43	0.018%	56	0.092%
44	0.020%	57	0.104%
45	0.023%	58	0.118%
46	0.026%	59	0.135%
47	0.029%	60 and over	0.195%

5. 100% of employees who elect coverage while in active employment and who are eligible for retiree benefits are assumed to elect continued medical coverage in retirement.
6. 40% of members electing coverage are assumed to also elect coverage for a spouse.
7. The trend assumptions for medical and pharmacy costs and retiree premiums are summarized below:

<u>Year</u>	<u>Pre-65 Medical Trend</u>	<u>Post-65 Medical Trend</u>	<u>Dental Trend</u>
2017	5.50%	8.40%	4.74%
2018	5.20%	5.20%	4.74%
2019	5.70%	5.10%	4.74%
2020	5.40%	5.20%	4.74%
2021	5.50%	5.20%	4.74%
2022	5.50%	5.20%	4.74%
2023	5.60%	5.20%	4.74%
2024	6.00%	5.20%	4.74%
2025	5.90%	5.20%	4.74%
2026-2027	6.00%	5.20%	4.74%
2028-2029	5.90%	5.20%	4.74%
2030-2035	6.10%	5.30%	4.74%
2036	6.00%	5.30%	4.74%
2037	5.90%	5.20%	4.74%
2038-2098	5.80%	5.10%	4.74%
2099 and ongoing	4.40%	4.60%	4.14%

LAFAYETTE PARISH ASSESSOR
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Notes to Basic Financial Statements (Continued)

(5) Ad Valorem Taxes

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

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and billed to the taxpayers by the Lafayette Parish Sheriff in December. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Lafayette Parish Assessor and are collected by the Sheriff.

For the year ended December 31, 2017, taxes were levied at the rate of 1.44 mills on property with net assessed valuations totaling \$2,276,953,641.

Net taxes levied during 2017, after exclusion of \$559,202 for homestead exemption, were \$3,278,813. Taxes receivable at December 31, 2017 were \$3,161,006, net of allowance for uncollectible taxes of \$32,407.

(6) Operating Leases

The Company leases vehicles and scanners under operating leases expiring from 2017-2023. Minimum future rental payments as of December 31, 2017 are as follows:

2018	\$ 3,305
2019	3,290
2020	3,290
2021	3,290
2022	3,290
Thereafter	<u>548</u>
Total minimum future rental payments	<u>\$ 17,013</u>

Included in the accompanying financial statements are rental expenditures of \$9,691 for the year ended December 31, 2017.

(7) Pension Plan

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

LAFAYETTE PARISH ASSESSOR
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Notes to Basic Financial Statements (Continued)

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

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

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

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

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to the employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. Employees may elect a reduced benefit or any of four options at retirement:

1. At death, the beneficiary will receive a lump sum payment based on the present value of the employee's annuity account balance.
2. At death, the beneficiary will receive a life annuity based on their reduced retirement allowance.
3. At death, the beneficiary will receive a life annuity equal to one-half of their reduced retirement allowance.
4. Any other benefit certified by the actuary and approved by the Board of Trustees that will be equivalent in value to their retirement allowance.

Death Benefits: As set forth 11:1441, benefits for members who die in service are as follows:

1. If a member of the Fund dies in service with less than 12 years of creditable service and leaves a surviving spouse, their accumulated contributions shall be paid to the surviving spouse.

LAFAYETTE PARISH ASSESSOR
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Notes to Basic Financial Statements (Continued)

2. If a member dies and has 12 or more years of creditable service and is not eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the joint and survivorship amounts provided in Option 2 as provided for in R.S. 11:1423, which shall cease upon a subsequent remarriage, or a refund of the member's accumulated contributions, whichever the spouse elects to receive.
3. If a member dies and is eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the Option 2 benefits provided for in R.S. 11:1423, which shall not terminate upon a subsequent remarriage.
4. Benefits set forth in item number 2 above, shall cease upon remarriage and shall resume upon a subsequent divorce or death of a new spouse. The spouse shall be entitled to receive a monthly benefit equal to the amount being received prior to remarriage.

Disability Benefits: The Board of Trustees shall award disability benefits to eligible members who have been officially certified as disabled by the State Medical Disability Board. The disability benefit shall be the lesser of (1) or (2) as set forth below:

1. A sum equal to the greater of forty-five percent (45%) of final average compensation, or the member's accrued retirement benefit at the time of termination of employment due to disability; or
2. The retirement benefit which would be payable assuming accrued creditable service plus additional accrued service, if any, to the earliest normal retirement age based on final average compensation at the termination of employment due to disability.

Upon approval for disability benefits, the member shall exercise an optional retirement allowance as provided in R.S. 11:1423 and no change in the option selected shall be permitted after it has been filed with the board. The retirement option factors shall be the same as those utilized for regular retirement based on the age of the retiree and that of the spouse, had the retiree continued in active service until the earliest normal retirement date.

Back-deferred Retirement Option Plan (Back-DROP): In lieu of receiving a normal retirement benefit pursuant to R.S. 11:1421 through 1423, an eligible member of the Fund may elect to retire and have their benefits structured, calculated, and paid as provided in this section.

An active, contributing member of the Fund shall be eligible for Back-DROP only if all of the following apply:

1. The member has accrued more service credit than the minimum required for eligibility for a normal retirement benefit.

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Notes to Basic Financial Statements (Continued)

2. The member has attained an age that is greater than the minimum required for eligibility for a normal retirement benefit, if applicable.
3. The member has revoked their participation, if any, in the Deferred Retirement Option Plan pursuant to R.S. 11:14568.2.

At the time of retirement, a member who elects to receive a Back-DROP benefit shall select a Back-DROP period to be specified in whole months. The duration of the Back-DROP period shall not exceed the lesser of thirty-six months or the number of months of creditable service accrued after the member first attained eligibility for normal retirement. The Back-DROP period shall be comprised of the most recent calendar days corresponding to the member's employment for which service credit in the Fund accrued.

The Back-DROP benefit shall have two portions: a lump-sum portion and a monthly benefit portion. The member's Back-DROP monthly benefit shall be calculated pursuant to the provisions applicable for service retirement set forth in R.S. 11:1421 through 1423, subject to the following conditions:

1. Creditable service shall not include service credit reciprocally recognized pursuant to R.S. 11:142.
2. Accrued service at retirement shall be reduced by the Back-DROP.
3. Final average compensation shall be calculated by excluding all earnings during the Back-DROP period.
4. Contributions received by the Fund during the Back-DROP period and any interest that has accrued on employer and employee contributions received during the period shall remain with the Fund and shall not be refunded to the employee or to the employer.
5. The member's Back-DROP monthly benefit shall be calculated based upon the member's age and service and the Fund provisions in effect on the last day of creditable service before the Back-DROP period.
6. At retirement, the member's maximum monthly retirement benefit payable as a life annuity shall be equal to the Back-DROP monthly benefit.
7. The member may elect to receive a reduced monthly benefit in accordance with the options provided in R.S. 11:1423 based upon the member's age and the age of the member's beneficiary as of the actual effective date of retirement. No change in the option selected of beneficiary shall be permitted after the option is filed with the Board of Trustees.

In addition to the monthly benefit received, the member shall be paid a lump-sum benefit equal to the Back-DROP maximum monthly retirement benefit multiplied by the number of months selected as the Back-DROP period. Cost-of-living adjustments shall not be payable on the member's Back-DROP lump sum.

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Notes to Basic Financial Statements (Continued)

Upon death of a member who selected the maximum option pursuant to R.S. 11:1423, the member's named beneficiary or, if none, the member's estate shall receive the deceased member's contributions, less the Back-DROP benefit amount. Upon the death of a member who selected Option 1 pursuant to R.S. 11:1423, the member's named beneficiary or, if none, the member's estate, shall receive the member's annuity savings fund balance as of the member's date of retirement reduced by the portion of the Back-DROP account balance and previously paid retirement benefits that are attributable to the member's annuity payments as provided by the annuity savings fund.

Excess Benefit Plan: Under the provisions of this excess benefit plan, a member may receive a benefit equal to the amount by which the member's monthly benefit from the Fund has been reduced because of the limitations of Section 415 of the Internal Revenue Code.

Contributions: Contributions for all members are established by statute at 8.0% of earned compensation. The contributions are deducted from the member's salary and remitted by the participating agency.

Administrative costs of the Fund are financed through employer contributions. According to the state statute, contributions for all employers are actuarially determined each year. Employer contributions were 10.00% of members' earnings for the year ended September 30, 2017.

The Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state as well as a state revenue sharing appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee. Although the direct employer actuarially required contribution for the fiscal year ended September 30, 2017 is 4.69%, the actual employer contribution rate for the fiscal year ended September 30, 2017 was 10.00%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set one year prior to the year effective. The minimum direct employer actuarially required contribution will be 5.25% for fiscal year 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2017, the Assessor reported a liability of \$636,048 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Assessor's proportion of the net pension liability was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contributions of all participating employer's, actuarially determined. At September 30, 2017, the Assessor's proportion was 3.624801%, which was an increase of .263588% from its proportion measured as of September 30, 2016.

LAFAYETTE PARISH ASSESSOR
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Notes to Basic Financial Statements (Continued)

For the year ended December 31, 2017, the Assessor recognized pension expense of \$450,646 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$1,148. At December 31, 2017, the Assessor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 70,895	\$ 199,695
Change of assumptions	397,810	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	54,547	84,310
Net differences between projected and actual earnings on plan investments	-	246,128
Contributions subsequent to the measurement date	34,673	-
Total	\$ 557,925	\$ 530,133

Deferred outflows of resources of \$34,673 related to pensions resulting from the Assessor's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>December 31</u>	
2018	\$ 42,824
2019	75,221
2020	(109,116)
2021	(60,722)
2022	44,912
Total	\$ (6,881)

Schedule of Pension Amounts by Employer: The schedule of pension amounts by employer displays each employer's allocation of the net pension liability. The schedule of pension amounts by employer was prepared using all the allocations included in the schedule of employer allocations.

LAFAYETTE PARISH ASSESSOR
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Notes to Basic Financial Statements (Continued)

Actuarial Methods and Assumptions: The current year actuarial assumptions utilized for this report are based on the assumptions used in the September 30, 2017 actuarial funding valuation, which (with the exception of mortality) were based on results of an actuarial experience study for the period October 1, 2006 – September 30, 2010, unless otherwise specified in this report. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience. All assumptions selected were determined to be reasonable and represent expectations of future experience for the Fund.

Actuarial Cost Method	Entry age normal
Investment rate of return (discount rate)	6.75%, net of pension plan investment expense, including inflation
Inflation Rate	2.50%
Salary Increases	5.75%
Annuitant and beneficiary mortality	RP 2000 Healthy Annuitant Table (set forward one year and projected to 2030 for males and females)
Active members mortality	RP-2000 Employee Table set back four years for males and three years for females.
Disabled Lives Mortality	RP-2000 Disabled Lives Mortality Tables set back five years for males and three years for females.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017, are summarized in the following table.

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
	<u>2016</u>
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real estate	4.50%

LAFAYETTE PARISH ASSESSOR
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Notes to Basic Financial Statements (Continued)

The long-term expected rate of return selected for this report by the Fund was 6.75%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions and the other assumptions and methods as specified in this report, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Thus, the discount rate used to measure the total pension liability was 6.75%.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2017 is 6 years.

Sensitivity to Changes in Discount Rate: The following presents the net pension liability of the Fund calculated using the discount rate of 6.75%, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current discount rate (assuming all other assumptions remain unchanged):

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability	\$ 2,156,855	\$ 636,048	\$ (667,688)

(8) Deferred Compensation Plan

The Lafayette Parish Assessor offers its employees participation in the State of Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. The plan, available to all Assessor employees, permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or proof of hardship.

LAFAYETTE PARISH ASSESSOR
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Notes to Basic Financial Statements (Continued)

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

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

(9) Expenditures of the Assessor Paid by the Lafayette Parish Consolidated Government

The Lafayette Parish Consolidated Government provided the office space and utilities for the Assessor's office for the year ended December 31, 2017. These expenditures are not reflected in the accompanying financial statements.

(10) Compensation, Benefits and Other Payments to Assessor

A detail of compensation, benefits, and other payments made to Assessor Conrad Comeaux for the year ended December 31, 2017 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 172,515
Benefits - insurance	14,880
Benefits - retirement	39,015
Car allowance	25,877
Travel	19
Conference travel	7,255
Registration fees	3,695
Continuing professional education fees	689
Special meals	644
Total	<u>\$ 264,589</u>

(11) Risk Management

The Assessor is exposed to risks of loss in the areas of auto and property liability and surety bonds. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

LAFAYETTE PARISH ASSESSOR
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Notes to Basic Financial Statements (Continued)

(12) Tax Abatement

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millage in force at that time. The future value to this exempt property could be subject to significant fluctuations from today's value; however, the Assessor could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. Because these taxes are not assessed, no adjustments have been made to the Assessor's financial statements to record the exempt amounts. At December 31, 2017, the Assessor's ad valorem revenues were reduced by \$78,337 as a result of these abatements.

(13) Litigation

As of December 31, 2017, the Assessor was not involved in any litigation.

**REQUIRED
SUPPLEMENTARY INFORMATION**

LAFAYETTE PARISH ASSESSOR
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Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental revenues -				
Ad valorem taxes	\$ 3,200,000	\$ 3,204,288	\$ 3,205,249	\$ 961
State revenue sharing	90,000	90,210	91,904	1,694
Tax roll fees	48,000	48,783	48,783	-
Interest income	8,400	21,000	21,029	29
Total revenues	<u>3,346,400</u>	<u>3,364,281</u>	<u>3,366,965</u>	<u>2,684</u>
Expenditures:				
Current -				
Personnel services and and related benefits	2,274,014	2,578,361	2,541,680	36,681
Operating services	557,000	538,280	527,998	10,282
Materials and supplies	83,500	99,500	94,636	4,864
Capital outlay	6,000	104,151	103,563	588
Total expenditures	<u>2,920,514</u>	<u>3,323,092</u>	<u>3,267,877</u>	<u>55,215</u>
Excess of revenues over expenditures	425,886	41,189	99,088	57,899
Fund balance, beginning of year	<u>3,953,423</u>	<u>3,953,423</u>	<u>3,953,423</u>	<u>-</u>
Fund balance, ending of year	<u>\$ 4,379,309</u>	<u>\$ 3,994,612</u>	<u>\$ 4,052,511</u>	<u>\$ 57,899</u>

LAFAYETTE PARISH ASSESSOR
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Schedule of Funding Progress
For the Year Ended December 31, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2009	\$ -	\$ 3,451,984	\$ 3,451,984	0.0%	\$ 1,070,571	322.44%
January 1, 2012	-	3,770,554	3,770,554	0.0%	1,540,110	244.82%
January 1, 2015	-	5,025,134	5,025,134	0.0%	1,496,471	335.80%

LAFAYETTE PARISH ASSESSOR
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Louisiana Assessors' Retirement and Relief Fund
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2017

<u>Plan/fiscal Year end</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
9/30/2015	3.323808%	\$ 1,739,425	\$1,396,636	124.5%	85.57%
9/30/2016	3.361213%	1,186,069	1,463,386	81.0%	90.68%
9/30/2017	3.624801%	636,048	1,590,180	40.0%	95.61%

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

LAFAYETTE PARISH ASSESSOR
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Louisiana Assessors' Retirement and Relief Fund
Schedule of Employer Contributions
For the Year Ended December 31, 2017

Year ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 196,183	\$ 196,183	\$ -	\$1,453,207	13.50%
2016	189,014	189,014	-	1,507,023	12.54%
2017	152,447	152,447	-	1,611,149	9.46%

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

LAFAYETTE PARISH ASSESSOR
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Notes to Required Supplementary Information

(1) Budgetary and Budgetary Accounting

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

- a. A proposed budget is prepared and submitted to the Assessor for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Assessor. Such amendments were not material in relation to the original appropriations.

(2) Pension Plan – Louisiana Assessors’ Retirement Fund

Changes of Assumptions – Changes of assumptions about future economic demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

OTHER SUPPLEMENTARY INFORMATION

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Comparative Statement of Net Position
December 31, 2017 and 2016

	Governmental Activities	
	2017	2016
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 794,333	\$1,198,794
Revenue receivable, net	3,256,321	2,759,229
Prepaid expenses	5,133	8,238
Total current assets	4,055,787	3,966,261
Noncurrent assets:		
Capital assets, net	397,504	391,033
TOTAL ASSETS	4,453,291	4,357,294
DEFERRED OUTFLOWS OF RESOURCES	557,925	643,691
LIABILITIES		
Current liabilities:		
Accounts payable	3,276	12,838
Total current liabilities	3,276	12,838
Noncurrent liabilities:		
Compensated absences	66,251	69,205
OPEB liability	3,011,667	2,668,288
Net pension liability	636,048	1,186,069
Total noncurrent liabilities	3,713,966	3,923,562
TOTAL LIABILITES	3,717,242	3,936,400
DEFERRED INFLOWS OF RESOURCES	530,133	247,337
NET POSITION		
Net investment in capital assets	397,504	391,033
Unrestricted	366,337	426,215
TOTAL NET POSITION	\$ 763,841	\$ 817,248

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Comparative Balance Sheet
General Fund
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and interest-bearing deposits	\$ 794,333	\$ 1,198,794
Revenue receivable-		
Ad valorem taxes, net of allowance for uncollectible taxes (2017 - \$32,407, 2016 - \$20,201)	3,161,006	2,696,619
State revenue sharing	62,916	62,610
Tax roll fees	32,399	-
Prepaid expenses	<u>5,133</u>	<u>8,238</u>
Total assets	<u>\$ 4,055,787</u>	<u>\$ 3,966,261</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	<u>\$ 3,276</u>	<u>\$ 12,838</u>
Fund balance:		
Nonexpendable	5,133	8,238
Unassigned	<u>4,047,378</u>	<u>3,945,185</u>
Total fund balances	<u>4,052,511</u>	<u>3,953,423</u>
Total liabilities and fund balance	<u>\$ 4,055,787</u>	<u>\$ 3,966,261</u>

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund
For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues:		
Intergovernmental revenues -		
Ad valorem taxes	\$3,205,249	\$ 3,228,320
State revenue sharing	91,904	95,891
Tax roll fees	48,783	47,923
Interest income	21,029	8,276
Total revenues	<u>3,366,965</u>	<u>3,380,410</u>
 Expenditures:		
Current -		
Personnel services and and related benefits	2,541,680	2,250,043
Operating services	527,998	504,279
Materials and supplies	94,636	89,800
Capital outlay	103,563	133,623
Total expenditures	<u>3,267,877</u>	<u>2,977,745</u>
Excess of revenues over expenditures	99,088	402,665
 Fund balance, beginning of year	<u>3,953,423</u>	<u>3,550,758</u>
 Fund balance, ending of year	<u>\$4,052,511</u>	<u>\$ 3,953,423</u>

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Schedule of Expenditures Compared to Budget (GAAP Basis)
General Fund
For the Year Ended December 31, 2017
With Comparative Actual Amounts for Year Ended December 31, 2016

	2017				
	Budget		Actual	Variance - Favorable (Unfavorable)	2016 Actual
	Original	Final			
Current:					
Personnel services and related benefits -					
Salaries:					
Assessor	\$ 172,514	\$ 172,514	\$ 156,832	\$ 15,682	\$ 156,832
Deputy Assessors	1,384,317	1,488,763	1,505,403	(16,640)	1,386,007
Allowance	15,683	15,683	15,683	-	15,683
Other	36,000	159,745	161,384	(1,639)	30,464
Deferred compensation	-	-	139,093	(139,093)	124,461
Group insurance	379,500	418,476	410,838	7,638	343,878
Pension	286,000	323,180	152,447	170,733	189,013
Other	-	-	-	-	3,705
Total personnel services and related benefits	<u>2,274,014</u>	<u>2,578,361</u>	<u>2,541,680</u>	<u>36,681</u>	<u>2,250,043</u>
Operating services -					
Professional fees - legal and accounting	75,000	70,000	65,582	4,418	54,604
Professional fees - computer	100,000	124,000	121,938	2,062	90,502
Professional fees - mapping software	95,000	92,000	91,261	739	-
Professional fees - other	30,000	30,000	28,273	1,727	31,169
Contract labor	50,000	21,000	20,676	324	147,875
Advertising	3,000	3,500	2,044	1,456	2,143
Insurance	36,000	34,000	33,373	627	34,319
Telephone	30,000	36,000	34,158	1,842	32,293
Travel and conference	48,000	57,000	60,076	(3,076)	41,464
Equipment and lease expense	66,000	49,000	48,837	163	48,130
Parking	24,000	21,780	21,780	-	21,780
Total operating services	<u>557,000</u>	<u>538,280</u>	<u>527,998</u>	<u>10,282</u>	<u>504,279</u>
Materials and supplies -					
Office supplies and expense	44,000	38,000	34,006	3,994	47,318
Postage and shipping	12,000	14,000	13,537	463	8,845
Automobile supplies and maintenance	7,500	24,800	22,966	1,834	16,370
Dues and subscriptions	15,000	23,500	22,531	969	13,811
Uniforms	5,000	2,000	1,596	404	3,456
Total materials and supplies	<u>83,500</u>	<u>102,300</u>	<u>94,636</u>	<u>7,664</u>	<u>89,800</u>
Capital outlay:					
Furniture, fixtures and equipment	6,000	104,151	103,563	588	133,623
Total expenditures	<u>\$2,920,514</u>	<u>\$3,323,092</u>	<u>\$3,267,877</u>	<u>\$ 55,215</u>	<u>\$2,977,745</u>

**INTERNAL CONTROL,
COMPLIANCE, AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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

Honorable Conrad T. Comeaux
Lafayette Parish Assessor
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Lafayette Parish Assessor (the Assessor), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements and have issued our report thereon dated June 12, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Assessor's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Assessor's internal control. Accordingly, we do not express an opinion on the effectiveness of the Assessor's internal control.

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

Our consideration of internal control 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 material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as Item 2017-001(IC) that we consider to be a significant deficiency.

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 grants, 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 that are required to be reported under *Government Auditing Standards*.

Lafayette Parish Assessor's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 12, 2018

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended December 31, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
CURRENT YEAR (12/31/17) --						
<u>Internal Control:</u>						
2017-001(IC)	2007	The Lafayette Parish Assessor does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Lafayette Parish Assessor has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Conrad Comeaux, Assessor	N/A
PRIOR YEAR (12/31/16) --						
<u>Internal Control:</u>						
2016-001(IC)	2007	The Lafayette Parish Assessor does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Lafayette Parish Assessor has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Conrad Comeaux, Assessor	N/A

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Independent Accountant's Report
On Applying Agreed-Upon Procedures

Year Ended December 31, 2017

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Lafayette Parish Assessor
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the management of the Lafayette Parish Assessor (Assessor) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Assessor's compliance with certain laws, regulations and best practices during the year ended December 31, 2017. Management of the Assessor is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

No written policies and procedures were obtained.

Management's Response: *Management of the Lafayette Parish Assessor's office to the best of its abilities has complied with State laws pertaining to budgeting, particularly R.S. 39:1301-16 with the exception of the omission of a budget message.*

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

No written policies and procedures were obtained.

Management's Response: *Management of the Lafayette Parish Assessor's office to the best of its abilities has complied with State laws pertaining to purchasing, particularly R.S. 38:2211-2296.*

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

No written policies and procedures were obtained.

Management's Response: *Management of the Lafayette Parish Assessor's office is tightly controlled by the Assessor to ensure compliance with good accounting practices and the prevention of fraud and abuse.*

- d) **Receipts**, including receiving, recording, and preparing deposits.

No written policies and procedures were obtained.

Management's Response: *Management of the Lafayette Parish Assessor's office is tightly controlled by the Assessor to ensure compliance with good accounting practices and the prevention of fraud and abuse.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

No written policies and procedures were obtained.

Management's Response: *Management of the Lafayette Parish Assessor's office is tightly controlled by the Assessor to ensure compliance with good accounting practices and the prevention of fraud and abuse.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No written policies and procedures were obtained.

Management's Response: *Management of the Lafayette Parish Assessor's office to the best of its abilities has complied with State laws pertaining to contracting and the requirements of R.S. 38:2211-2296.*

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

No written policies and procedures were obtained.

Management's Response: *Management of the Lafayette Parish Assessor's office is tightly controlled by the Assessor to ensure compliance with good accounting practices and the prevention of fraud and abuse.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Written policies and procedures were obtained and address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

No written policies and procedures were obtained.

Management's Response: *Management of the Lafayette Parish Assessor's office to the best of its abilities has complied with State laws pertaining to ethics, particularly R.S. 42:1101-1124 and all employees participated in the Board of Ethics online program, "Ethics Training for Public Servants".*

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

No written policies and procedures were obtained.

Management's Response: *Management of the Lafayette Parish Assessor's office has complied with State law pertaining to debt service particularly R.S. 39:562.*

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

The Assessor does not have a Board or Finance Committee; therefore, this procedure is not applicable.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

➤ If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

This procedure is not applicable to the Assessor.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

This procedure is not applicable to the Assessor.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

A listing of client bank accounts and management's representation that listing is complete were obtained.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

There were no exceptions noted as a result of applying this procedure.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

There were no exceptions noted as a result of applying this procedure.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

There were no exceptions noted as a result of applying this procedure.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

A listing of cash collection locations and management's representation that the listing is complete were obtained.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

In the cash collection location selected, the person responsible for collecting cash is not bonded, is responsible for depositing cash in the bank, but is not responsible for recording transactions or reconciling the bank account. The Assessor has compensating controls in effect to mitigate the lack of segregation of duties. The Assessor has one collection location and the cash drawer is not shared with another employee.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

There is not a formal written process to reconcile cash collections to the general ledger by revenue source, by a person who is not responsible for cash collections.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

The highest (dollar) week of cash collections for each location was obtained along with collection documentation, deposit slips, and bank statements.

In the one location selected for testing, one day of cash collections was held for six days prior to making a bank deposit.

Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

There were no exceptions noted as a result of applying this procedure.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

The Assessor does not have a written policy to determine the completeness of all collections by a person who is not responsible for collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

The Assessor does not use a purchase order system; therefore, this procedure is not applicable.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

This procedure is not applicable to the Assessor.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

This procedure is not applicable to the Assessor.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

This procedure is not applicable to the Assessor.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The Assessor does not have written documentation that prohibits the person responsible for processing payments from adding vendors to the Assessor's purchasing/disbursement system.

Management's Response: *Management of the Lafayette Parish Assessor's office is tightly controlled by the Assessor to ensure compliance with good accounting practices and the prevention of fraud and abuse.*

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The Assessor does not have written documentation that prohibits the person with signatory authority or the person that makes the final authorization for disbursements from initiating or recording purchases.

Management's Response: *Management of the Lafayette Parish Assessor's office is tightly controlled by the Assessor to ensure compliance with good accounting practices and the prevention of fraud and abuse.*

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Inquiry of management indicated that unused check stock is maintained in a locked location.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

The Assessor does not use signature stamps or a signature machine.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing of credit cards and management's representation that the listing is complete were obtained.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

The Assessor has two credit cards. Both were selected for testing.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

There were no exceptions noted as a result of applying this procedure.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

One credit card selected for testing had a finance charge and/or late fee assessed.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

a) For each transaction, report whether the transaction is supported by:

➤ An original itemized receipt (i.e., identifies precisely what was purchased)

There were no exceptions noted as a result of applying this procedure.

➤ Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

There were no exceptions noted as a result of applying this procedure.

➤ Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

There were no exceptions noted as a result of applying this procedure.

b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

There were no exceptions noted as a result of applying this procedure. There were no transactions noted that would have been subject to Louisiana Public Bid Law.

c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

There were no exceptions noted as a result of applying this procedure.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

A listing of travel and expense reimbursements by person and management's representation that the listing is complete were obtained.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Written policies and procedures were obtained and address the functions noted above.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

There were no exceptions noted as a result of applying this procedure.

- b) Report whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
There were no exceptions noted as a result of applying this procedure.
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
There were no exceptions noted as a result of applying this procedure.
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
There were no exceptions noted as a result of applying this procedure.
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
There were no exceptions noted as a result of applying this procedure.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
There were no exceptions noted as a result of applying this procedure.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.
A listing of all contracts in effect during the fiscal period and management's representation that the listing is complete were obtained.
21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
There were no exceptions noted as a result of applying this procedure.
 - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
The contracts selected were not subject to the Louisiana Public Bid Law or Procurement Code.
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
There were no exceptions noted as a result of applying this procedure.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

There were no contract amendments.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

There were no exceptions noted as a result of applying this procedure.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

The Assessor does not have a Board.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

A listing of employees with their related salaries and management's representation that the listing is complete were obtained. Five employees were randomly selected and their personnel files were obtained.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

There were no exceptions noted as a result of applying this procedure.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

There were no exceptions noted as a result of applying this procedure.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

There were no exceptions noted as a result of applying this procedure.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

There were no exceptions noted as a result of applying this procedure.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

There were no exceptions noted as a result of applying this procedure.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No employees were terminated; therefore, this procedure is not applicable.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

There were no exceptions noted as a result of applying this procedure.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

There were no exceptions noted as a result of applying this procedure.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Management asserted that they have received no allegations during the fiscal period.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

No debt was issued during the fiscal period; therefore, this procedure is not applicable.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

The Assessor does not have any outstanding debt; therefore, this procedure is not applicable.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

The Assessor has no tax millages relating to debt service; therefore, this procedure is not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management has asserted that the entity did not have any misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

There were no exceptions noted as a result of applying this procedure.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

There were no exceptions noted as a result of applying this procedure.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Lafayette Parish Assessor and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 12, 2018