

VERMILION PARISH ASSESSOR

FINANCIAL REPORT

DECEMBER 31, 2018

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INDEPENDENT AUDITORS' REPORT

The Vermilion Parish Assessor
Abbeville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Vermilion Parish Assessor as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Vermilion Parish Assessor as of December 31, 2018, and the respective change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2018 the Assessor adopted a new accounting guidance, GASB Statement No. 75, *Accounting for Financial Reporting for Postemployment Benefits Other Than Pensions*. Also discussed in Note 17, the revenue was understated and deferred revenues was overstated during 2016 by \$811,862. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 3 through 6 and 37 through 42, respectively, 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 budgetary comparison 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.

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 accompany financial information listed as the schedule of compensation, benefits and other payments to agency head in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to agency head 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to agency head are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2019, on our consideration of the Vermilion Parish Assessor's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Vermilion Parish Assessor's internal control over financial reporting and compliance.



Lafayette, Louisiana
June 14, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Vermilion Parish Assessor's financial performance provides an overview of Vermilion Parish Assessor's financial activities for the fiscal year ended December 31, 2018. Please read it in conjunction with the Assessor's financial statements, which begin on page 8.

I. FINANCIAL HIGHLIGHTS

Vermilion Parish Assessor's deficit net position decreased by \$875,394 or 132.6% as a result of 2018's operations and prior period adjustment. Vermilion Parish Assessor's total revenues were \$884,173 compared to \$949,816 in 2017, a decrease of \$65,643 or 6.9%.

Total expenses for Vermilion Parish Assessor during the year ending December 31, 2018 were \$1,146,614 compared to \$1,040,704 last year, an increase of \$105,910 or 10.2%.

II. USING THIS ANNUAL REPORT

This report consists of a series of financial statements. The statement of net position and the statement of activities (pages 8 and 9) provide information about Vermilion Parish Assessor's activities as a whole and present a longer-term view of Vermilion Parish Assessor's finances. Fund financial statements start on page 12. These statements tell how the services were financed in the short-term as well as what remains for future spending.

A. REPORTING VERMILION PARISH ASSESSOR AS A WHOLE

1. THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

Our analysis of Vermilion Parish Assessor as a whole begins on page 4. One of the most important questions asked about Vermilion Parish Assessor's finances is, "Is Vermilion Parish Assessor, as a whole, better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about Vermilion Parish Assessor as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report Vermilion Parish Assessor's net position and the changes in them. The net position, the difference between the assets and the liabilities, is one way to measure Vermilion Parish Assessor's financial position or financial health. Over time, increases or decreases in Vermilion Parish Assessor's net position is one indicator of whether its financial health is improving or deteriorating.

We report the fund maintained by the Vermilion Parish Assessor as governmental activities in the statement of net position and the statement of activities.

B. REPORTING VERMILION PARISH ASSESSORS' MOST SIGNIFICANT FUNDS

1. FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the Vermilion Parish Assessor's General Fund, not the Vermilion Parish Assessor as a whole.

All of Vermilion Parish Assessor's expenses are reported in a governmental fund, which focuses on how money flows into and out of that fund and the balances left at year-end that are available for spending. This fund is reported using the modified accrual method, which measures cash and all other financial assets that could be readily converted to cash. The governmental fund statements provide a detailed short-term view of Vermilion Parish Assessor's general operations and the expenses paid from this fund. The information in the governmental fund helps determine if there are more or less financial resources to finance future Vermilion Parish Assessor expenses. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and the governmental fund in a reconciliation following the fund financial statements.

III. VERMILION PARISH ASSESSOR AS A WHOLE

The deficit in the Vermilion Parish Assessor's total net position decreased in the current year from \$(660,119) to \$(1,535,513). The following reflects the condensed statement of net position as of December 31, 2018, with comparative figures from 2017:

TABLE 1
CONDENSED STATEMENT OF NET POSITION
DECEMBER 31, 2018 AND 2017

| | <u>2018</u> | <u>2017</u> |
|---|----------------------|---------------------|
| Assets: | | |
| Current assets | \$ 1,413,990 | \$ 1,436,395 |
| Capital assets | <u>87,392</u> | <u>76,781</u> |
| Total assets | \$ 1,501,382 | \$ 1,513,176 |
| Deferred outflows of resources | <u>1,039,711</u> | <u>129,612</u> |
| Total assets and deferred outflows of resources | <u>\$ 2,541,093</u> | <u>\$ 1,642,788</u> |
| Liabilities: | | |
| Current liabilities | \$ 6,517 | \$ 11,069 |
| Long-term liabilities | <u>3,759,927</u> | <u>1,363,682</u> |
| Total liabilities | <u>\$ 3,766,444</u> | <u>\$ 1,374,751</u> |
| Deferred inflows of resources | \$ 310,162 | \$ 928,156 |
| Net position: | | |
| Net investment in capital assets | \$ 80,875 | \$ 65,712 |
| Unrestricted | <u>(1,616,388)</u> | <u>(725,831)</u> |
| Total net position | <u>\$(1,535,513)</u> | <u>\$ (660,119)</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 2,541,093</u> | <u>\$ 1,642,788</u> |

The net position deficit of Vermilion Parish Assessor’s governmental activities increased by \$875,394 or 132.6%, from 2017. Unrestricted net position, that part of net position which can be used to finance Vermilion Parish Assessor’s expenses without constraints or other legal requirements, decreased \$890,557, or 122.7%, from 2017.

The following table provides a summary of the changes in net position for the year ended December 31, 2018, with comparative figures from 2017:

TABLE 2
CONDENSED STATEMENT OF CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2018 AND 2017

| | <u>2018</u> | <u>2017</u> |
|--|---------------------|---------------------|
| Revenues: | | |
| Program revenues – | | |
| Charges for services | \$ 1,114 | \$ 1,992 |
| Operating grants and contributions | 15,000 | 15,000 |
| | | |
| General revenues – | | |
| Ad valorem taxes | 804,170 | 862,868 |
| Other | <u>63,889</u> | <u>69,956</u> |
| Total revenues | <u>\$ 884,173</u> | <u>\$ 949,816</u> |
| | | |
| Expenses: | | |
| General government | <u>\$ 1,146,614</u> | <u>\$ 1,040,704</u> |
| Change in net position from operations | \$ (262,441) | \$ (90,888) |
| Prior period adjustments | <u>(612,953)</u> | <u>-</u> |
| Change in net position | <u>\$ (875,394)</u> | <u>\$ (90,888)</u> |

During the fiscal year ended December 31, 2018, property tax revenue decreased \$58,698 or approximately 6.8%. Expenses increased by \$105,910 or approximately 10.2%.

IV. GENERAL FUND BUDGETARY HIGHLIGHTS

The Vermilion Parish Assessor’s budget was revised during the 2018 fiscal year mainly to decrease budgeted ad valorem taxes and increase budgeted operating expenditures. Actual revenues exceeded budgeted revenues by \$16,730 and actual expenditures were \$13,772 less than final budgeted expenditures. The net decrease in fund balance for the year ended December 31, 2018 of (\$7,915) was \$30,502 less than the anticipated (final budgeted) decrease.

V. CAPITAL ASSETS

At the end of 2018, Vermilion Parish Assessor had \$87,392 in net investment in capital assets, of which \$53,130 is a deposit on software that has not yet been delivered. This amount represents a net increase of \$10,611 or 13.8% from 2017. This was due primarily to the recording of additional deposits on software. Depreciation of \$24,504 in 2018, and investing in capital outlay additions of \$35,115.

VI. LONG-TERM LIABILITIES

Long-term obligations of the Vermilion Parish Assessor primarily consist of its proportionate share of the pension benefit obligation of the Louisiana Assessors Retirement Fund and other post-employment benefit obligations for retired employees. Detailed information about these obligation are presented in Note 7 and Note 8 to the financial statements.

VII. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The primary factors considered when preparing the fiscal year 2019 budget were the ad valorem tax revenues and salaries and related expenditures. The ad valorem tax is expected to produce \$818,290 or approximately 92% of the total budgeted revenues. Salaries and related expenditures are expected to total \$778,950 or 87% of the total budgeted expenditures. The 2019 budget was prepared based on 2018 results with adjustments for expected increases or decreases in revenues and expenditures.

VIII. CONTACTING THE VERMILION PARISH ASSESSOR'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the funds maintained by Vermilion Parish Assessor and to show Vermilion Parish Assessor's accountability for the monies it receives. If you have any questions or need additional financial information, contact Gabe Marceaux, Assessor, at 100 N. State Street, Suite 110, Abbeville, Louisiana 70510.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VERMILION PARISH ASSESSOR
STATEMENT OF NET POSITION
December 31, 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS

| | |
|--------------------------------------|-------------------------|
| Cash | \$ 138,999 |
| Certificates of deposit | 550,000 |
| Ad valorem taxes receivable, net | 80,189 |
| Due from other governmental agencies | 644,802 |
| Capital assets: | |
| Depreciable, net | 34,262 |
| Deposit on software | <u>53,130</u> |
| Total assets | <u>\$ 1,501,382</u> |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|---|-------------------------|
| Other post-employment benefit obligation | \$ 775,009 |
| Defined benefit pension plan | <u>264,702</u> |
| Total deferred outflows of resources | <u>\$ 1,039,711</u> |
| Total assets and deferred outflows of resources | <u>\$ 2,541,093</u> |

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

LIABILITIES

| | |
|--|-------------------------|
| Note payable | \$ 6,517 |
| Long-term liabilities: | |
| Due in more than one year - | |
| Net pension liability | 199,218 |
| Other post-employment benefit obligation | <u>3,560,709</u> |
| Total liabilities | <u>\$ 3,766,444</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|---|-----------------------|
| Other post-employment obligation | \$ 118,036 |
| Defined benefit pension plan | <u>192,126</u> |
| Total deferred inflows of resources | <u>\$ 310,162</u> |

NET POSITION

| | |
|---|---------------------------|
| Net investment in capital assets | \$ 80,875 |
| Unrestricted, deficit | <u>(1,616,388)</u> |
| Total net position | <u>\$ (1,535,513)</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 2,541,093</u> |

See Notes to Financial Statements.

VERMILION PARISH ASSESSOR

STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

| | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u> |
|---|---------------------|---------------------------------|---|--|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | |
| Governmental activities: | | | | |
| General government | <u>\$ 1,146,614</u> | <u>\$ 1,114</u> | <u>\$ 15,000</u> | <u>\$ (1,130,500)</u> |
| General revenues: | | | | |
| Ad valorem taxes | | | | \$ 804,170 |
| Grants and contributions not restricted to specific programs | | | | 53,301 |
| Investment earnings | | | | 6,012 |
| Miscellaneous | | | | <u>4,576</u> |
| Total general revenues | | | | <u>\$ 868,059</u> |
| Change in net position | | | | <u>\$ (262,441)</u> |
| Net position, beginning, as previously stated | | | | \$ (660,119) |
| Prior period adjustment | | | | <u>(612,953)</u> |
| Net position, beginning, as restated | | | | <u>\$ (1,273,072)</u> |
| Net position, ending | | | | <u>\$ (1,535,513)</u> |

See Notes to Financial Statements.

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FUND FINANCIAL STATEMENTS

VERMILION PARISH ASSESSOR

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

| ASSETS | <u>General Fund</u> |
|---|-------------------------|
| Cash | \$ 138,999 |
| Certificates of deposit | 550,000 |
| Ad valorem taxes receivable, net | 80,189 |
| Due from other governmental agencies | <u>644,802</u> |
| Total assets | <u>\$ 1,413,990</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | |
| LIABILITIES | |
| Note payable | \$ <u>6,517</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Unavailable revenue – ad valorem taxes | <u>\$ 801,924</u> |
| FUND BALANCE | |
| Unassigned | <u>\$ 605,549</u> |
| Total liabilities, deferred inflows of resources and fund balance | <u>\$ 1,413,990</u> |

See Notes to Financial Statements.

VERMILION PARISH ASSESSOR

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION

December 31, 2018

| | | |
|--|--------------------|-----------------------|
| Total fund balance – governmental fund | | \$ 605,549 |
| Total net position reported for governmental activities in the statement of net position is different because: | | |
| Capital assets used in governmental activities are not financial resources and are therefore not reported in the fund. Those assets consisted of – | | |
| Furniture, fixtures, and equipment | \$ 325,748 | |
| Accumulated depreciation | (291,486) | |
| Deposit on software | <u>53,130</u> | 87,392 |
| Ad valorem revenues will be collected after year end; but they are not available soon enough to pay for the current period expenditures; therefore, they are reported as deferred inflows in the fund financial statements | | |
| | | 801,924 |
| Long-term liabilities, are not due and payable in the current period and therefore are not reported in the fund – | | |
| Net pension liability | \$ (199,218) | |
| Net OPEB obligation payable | <u>(3,560,709)</u> | (3,759,927) |
| Deferred outflows and inflows of resources related to OPEB and applicable to future periods and, therefore, are not reported in the funds – | | |
| Difference between expected and actual experience | \$ (118,036) | |
| Change in assumptions | <u>775,009</u> | 656,973 |
| Deferred outflows and inflows of resources related to pensions and applicable to future periods and, therefore are not reported in the funds – | | |
| Pension contributions subsequent to plan measurement | \$ 9,063 | |
| Difference between actual and projected earnings of pension plan assets | (101,428) | |
| Change in assumptions | 255,639 | |
| Change in the proportionate share of the pension plan from the prior year | (14,523) | |
| Difference between expected and actual experience | <u>(76,175)</u> | <u>72,576</u> |
| Total net position of governmental activities | | <u>\$ (1,535,513)</u> |

See Notes to Financial Statements.

VERMILION PARISH ASSESSOR
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
Year Ended December 31, 2018

| | <u>General Fund</u> |
|------------------------------|-------------------------|
| Revenues: | |
| Ad valorem taxes | \$ 814,108 |
| Intergovernmental - | |
| State revenue sharing | 53,301 |
| Vermilion Parish Police Jury | 15,000 |
| Charges for services | 1,114 |
| Investment earnings | 6,012 |
| Miscellaneous | <u>4,576</u> |
| Total revenues | <u>\$ 894,111</u> |
| | |
| Expenditures: | |
| Current - | |
| General government | \$ 866,911 |
| Capital outlay | <u>35,115</u> |
| Total expenditures | <u>\$ 902,026</u> |
| Net change in fund balance | \$ (7,915) |
| Fund balance, beginning | <u>613,464</u> |
| Fund balance, ending | <u>\$ 605,549</u> |

See Notes to Financial Statements.

VERMILION PARISH ASSESSOR

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

| | | |
|---|---------------|---------------------|
| Net change in fund balance – governmental fund | | \$ (7,915) |
| <p>The change in net position reported for governmental activities in the statement of activities is different because:</p> | | |
| <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> | | |
| Depreciation expense | \$ (24,504) | |
| Capital outlay | <u>35,115</u> | 10,611 |
| <p>Ad valorem revenues recognized in the fund financial statements in the current year, but recognized as revenue in the prior year statement of activities</p> | | |
| | | (9,938) |
| <p>Net other postemployment obligations reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p> | | |
| | | (308,172) |
| <p>The effect of net pension liability, deferred outflow of resources and deferred inflows of resources related to changes in the net pension obligation -</p> | | |
| Employer contributions made after the valuation date of the net pension liability (September 30, 2018 to December 31, 2018) | \$ 9,063 | |
| Cost of benefits earned net of employee contributions (pension expense) | <u>43,910</u> | <u>52,973</u> |
| Change in net position of governmental activities | | <u>\$ (262,441)</u> |

See Notes to Financial Statements.

VERMILION PARISH ASSESSOR
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the Vermilion Parish Assessor (the "Assessor") have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Assessor's accounting policies are described below.

Reporting entity:

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 beginning January 1 following the year in which elected. A vacancy occurring in the office in which the unexpired term is one year or more is filled by a special election to be held within 60 days of the occurrence of the vacancy; a vacancy in which the unexpired term is less than one year is filled by an appointment of the governor.

The Assessor assesses property, prepares tax rolls, and submits the rolls to the Louisiana Tax Commission and other governmental bodies as prescribed by law. The Assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and provides assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office; however, the Assessor is officially responsible for the actions of the deputies.

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

Basis of presentation:

The Assessor's basic financial statements consist of the government-wide and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Governmental-wide financial statements –

The government-wide financial statements include the statement of net position and the statement of activities of the Assessor. These statements include the financial activities of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

In the government-wide statement of net position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Assessor's net position are reported in two parts – net investment in capital assets and unrestricted.

NOTES TO FINANCIAL STATEMENTS

The government-wide statement of activities reports both the gross and net cost of each of the Assessor's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net cost (by function) is normally covered by general revenues (property taxes, intergovernmental revenues, interest income, etc.).

The government-wide focus is more on the sustainability of the Assessor as an entity and the change in the Assessor's net position resulting from the current year's activities.

Fund financial statements –

The fund financial statements provide information about the Assessor's funds. The emphasis of fund financial statements is on major governmental funds. The Assessor has only one fund, its General Fund. The General Fund is the Assessor's general operating fund. It is used to account for all of the financial resources of the Assessor.

Basis of accounting:

Government-wide financial statements –

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Assessor gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlement, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fund financial statements –

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Assessor considers property taxes as "available" in the year following the assessment, when the majority of the taxes are collected. Revenue from grants, entitlement, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. All other receivables collected within 60 days after year-end are considered available and recognized as revenue of the current year.

Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds.

NOTES TO FINANCIAL STATEMENTS

Cash and investments:

Under state law, the Assessor may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Cash includes amounts in demand deposit accounts while investments include certificates of deposits. These certificates are not subject to GASB No. 31 requirements; thus, they are stated at cost.

Custodial credit risk:

Deposits (demand and certificates) –

The Assessor is exposed to custodial credit risk as it relates to its deposits with financial institutions. Custodial credit risk is the risk that in the event of a bank failure, the Assessor's deposits may not be returned to it. The Assessor's policy to ensure there is no exposure to this risk is to require each financial institution to pledge securities to cover amounts in excess of Federal Depository Insurance Coverage. Securities pledged by these financial institutions to secure deposits must be held in the Assessor's name. Accordingly, the Assessor had no custodial credit risk related to its deposits at December 31, 2018.

Taxes receivable:

Taxes receivable consists of amounts due from taxpayers. Taxes receivable are reported net of an allowance for uncollectible accounts based on prior experience. The allowance amount at December 31, 2018 is \$16,366.

Capital assets:

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide financial statements –

In the government-wide financial statements, capital assets are valued at cost or estimated historical cost. Donated capital assets are recorded at their fair value at the date of donation. The Assessor maintains a threshold level of \$500 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is calculated on the straight-line method over the following estimated useful lives:

| | <u>Years</u> |
|------------------------|--------------|
| Furniture and fixtures | 5 |
| Equipment | 5 - 10 |

NOTES TO FINANCIAL STATEMENTS

Fund financial statements –

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Impairments:

A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The Assessor is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. The Assessor recorded no impairment losses during the year ended December 31, 2018.

Compensated absences:

The Assessor has the following policy relating to vacation and sick leave -

Vacations are mandatory and vary in length based on years of service. Leave can be taken between January 1 and November 1 of each year. In addition to vacation, annual leave consists of 12 working days absence due to illness or business matters. Any unused portion of annual leave does not accumulate and carry forward. If any employee exceeds the 12 days, their salary is reduced accordingly. Should maternity, surgery, or prolonged illness require extended absence, paid leave not to exceed six weeks (including the 12 day annual leave) will be allowed.

Deferred outflows/inflows of resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period (s) and will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement plan the Assessor's Office employees participate, the Louisiana Assessors; Retirement Fund, and additions to/deductions from the plans' 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. The net pension liability, the deferred outflows of resources and the deferred inflows of the Assessor's proportionate share of this multi-employer plan are reported in the government-wide statement of net position.

NOTES TO FINANCIAL STATEMENTS

Net position flow assumption:

Sometime the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumptions must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumption:

Sometime the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumptions must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Equity classifications:

Government-wide statements –

Equity is classified as net position and displayed in two components:

- a. Net investment in capital assets – consists of capital assets net of accumulated depreciation and reduced by the balance of debt used to acquire capital assets.
- b. Unrestricted net position - all other net position that do not meet the definition of “net investment in capital assets”.

The Assessor has no restricted net position as of December 31, 2018.

Fund financial statements –

Beginning with fiscal year 2011, the Assessor implemented GASB Statement 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts

NOTES TO FINANCIAL STATEMENTS

cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Assessor establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Assessor through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recent accounting pronouncements:

During June 2015 the Governmental Accounting Standards Board (GASB) issued GASB No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multi-Employer Plans, for OPEB. This statement establishes standards for recognizing and measuring liabilities, deferred outflow of resources, deferred inflows of resources, and expense/expenditures as well as required disclosures. This statement is effective for fiscal years beginning after June 15, 2017. The Assessor adopted the applicable sections of this statement during 2018.

In March of 2017, the Governmental Accounting Standard Board (GASB) issued GASB Statement 85 *Omnibus 2017*. This Statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). As it applies to the Assessor, GASB No. 85, Omnibus 2017, paragraph 8, clarifies that liabilities to employees for defined benefit plans or defined benefit OPEBs should be measured as of the end of the reporting period. This may create a difference between the accrual basis pension expense and the modified accrual basis pension expenditures. Amounts in the accrual basis statements for cost-sharing multiple-employer plans are based on actuarial analysis for a prior period. The modified accrual basis statements for governmental funds will be based on current year expenditures for employer contributions, payables to the system, and any administrative costs for plans that are not administered through a trust. In addition, the employer may accrue amounts for liabilities that are expected to be liquidated from available expendable financial resources. GASB No. 85 is effective for reporting

NOTES TO FINANCIAL STATEMENTS

period beginning after June 15, 2017. The Assessor adopted the applicable sections of this statement during 2018.

Note 2. Ad Valorem Taxes

Government-wide financial statements –

Property taxes are recognized in the year for which they are levied net of uncollectible amounts, as applicable.

Fund financial statements –

Ad valorem taxes are based on assessed values determined by the Assessor on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31.

Taxes are budgeted and the revenue recognized in the year following the assessment when the majority of the taxes are actually collected and the Assessor considers them “available.”

For the year ended December 31, 2018, taxes were levied on property in Vermilion Parish Louisiana with assessed valuations totaling \$408,142,610 and the millage was 2.62.

Total taxes levied, exclusive of homestead exemptions, was \$1,069,336 for 2018. Taxes receivable at December 31, 2018 totaled \$96,555, which is net of an allowance for uncollectible amounts of \$16,366.

Note 3. Due From Other Governmental Agencies

Due from other governmental agencies at December 31, 2018 consists of the following:

Government-wide and fund financial statements:

Vermilion Parish Sheriff –

Ad valorem taxes collected

\$ 644,802

NOTES TO FINANCIAL STATEMENTS

Note 4. Capital Assets

Capital assets activity for the year ended December 31, 2018 is as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|--------------------|------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated – | | | | |
| Deposit on software | \$ 27,500 | \$ 25,630 | \$ - | \$ 53,130 |
| Capital assets being depreciated – | | | | |
| Furniture and fixtures | \$ 14,108 | \$ - | \$ - | \$ 14,108 |
| Equipment | <u>302,605</u> | <u>9,485</u> | <u>-</u> | <u>312,090</u> |
| Total capital assets being depreciated | <u>\$ 316,713</u> | <u>\$ 9,485</u> | <u>\$ -</u> | <u>\$ 326,198</u> |
| Less accumulated depreciation | | | | |
| Furniture and fixtures | \$ (11,954) | \$ (339) | \$ - | \$ (12,293) |
| Equipment | <u>(255,478)</u> | <u>(24,165)</u> | <u>-</u> | <u>(279,643)</u> |
| Total accumulated depreciation | <u>\$ (267,432)</u> | <u>\$ (24,504)</u> | <u>\$ -</u> | <u>\$ (291,936)</u> |
| Total capital assets being depreciated, net | <u>\$ 49,281</u> | <u>\$ (15,019)</u> | <u>\$ -</u> | <u>\$ 34,262</u> |
| Governmental activities capital assets, net | <u>\$ 76,781</u> | <u>\$ 10,611</u> | <u>\$ -</u> | <u>\$ 87,392</u> |

Depreciation expense was charged to functions as follows:

| | |
|--------------------|------------------|
| General government | <u>\$ 24,504</u> |
|--------------------|------------------|

Note 5. Notes Payable

In order to purchase an automobile, the Assessor's Office borrowed against one of their certificates of deposit. The maturity of the note is the same as the certificate of deposit. The note is due January 24, 2019 at rate of 2.75%. The original amount borrowed is \$22,629 and the Assessor has been paying \$400 monthly, including interest, on the loan. The obligation will be paid out in January 2019.

NOTES TO FINANCIAL STATEMENTS

Note 6. Long-Term Liabilities

The Assessor’s long-term liabilities consists of net pension obligation and other post-employment benefit obligation as December 31, 2018. The following is a summary of changes in long-term liabilities for the year ended December 31, 2018:

| | <u>Balance</u> <u>1/1/2018</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>12/31/2018</u> | <u>Amount due</u> <u>in One year</u> |
|--|-----------------------------------|-------------------|-------------------|-------------------------------------|---|
| Note payable | \$ 11,069 | \$ - | \$ (4,552) | \$ 6,517 | \$ 6,517 |
| Net pension liability | 192,933 | 6,285 | - | 199,218 | - |
| Other post-employment benefit obligation | <u>2,595,564</u> | <u>965,145</u> | <u>-</u> | <u>3,560,709</u> | <u>-</u> |
| | <u>\$ 2,799,566</u> | <u>\$ 971,430</u> | <u>\$ (4,552)</u> | <u>\$ 3,766,444</u> | <u>\$ 6,517</u> |

Note 7. Pension Plan

Substantially, all employees of the Assessor’s office are members of the Louisiana Assessor’s Retirement Fund (“System”), a cost sharing multiple-employer, public employee retirement system, controlled and administered by a separate board of trustees.

Plan description:

The Louisiana Assessors' Retirement Fund was created by Act 91 Section 1 of the 1950 regular Legislature Session. The Fund is a cost sharing, multiple-employer, qualified governmental defined benefit pension plan covering assessors and their deputies employed by any parish of the State of Louisiana, under the provisions of Louisiana Revised Statutes 11:1401 through 1494. The plan is a qualified plan as defined by the Internal Revenue Code Section 401(a), effective January 1, 1998. Membership in the Louisiana Assessors' Retirement Fund is a condition of employment for Assessors and their full time employees.

The Fund is administered by a board of trustees made up of seventeen members, the president, vice president, and secretary-treasurer of the Louisiana Assessors' Association and eight regular member representatives who are elected for a term of two years from the Association districts. Two of the members are retiree representatives nominated by the board and elected by the retirees, two members are assessor employee representatives nominated by the board and elected by the employees, and two members are legislative representatives of which one is from the House and one is from the Senate.

Retirement 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

NOTES TO FINANCIAL STATEMENTS

consecutive service. Employees may elect to receive their pension benefits in the form of a joint and 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. If the member dies before he has received in annuity payments the present value of the member's annuity, as it was at the time of retirement, the balance is paid to the beneficiary.
2. Upon retirement, the member receives a reduced benefit. Upon the member's death, the surviving spouse will continue to receive the same reduced benefit.
3. Upon retirement, the member receives a reduced benefit. Upon member's death, the surviving spouse will receive one-half of the member's reduced benefit.
4. Upon retirement, the member may elect to receive a board-approved benefit that is actuarially equivalent to the maximum benefit.

Death benefits:

As set forth in R.S. 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.
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

NOTES TO FINANCIAL STATEMENTS

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 time of 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.
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. 11:1456.2.

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.

NOTES TO FINANCIAL STATEMENTS

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 or 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.

Upon the 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 remaining 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% 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 state statute, contributions for all employers are actuarially determined each year. Employer contributions were 8% and 10% of members' earnings for the years ended September 30, 2018 and 2017, respectively. Although the direct employer actuarially required contribution for fiscal year 2018 is 5.24%, the actual employer contribution rate for fiscal year 2018 is 8.00%, since state statutes require that employer rates be set one year in advance.

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.

NOTES TO FINANCIAL STATEMENTS

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:

At December 31, 2018, the Employer reported a liability of \$199,218 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of September 30, 2018 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2018, the Assessor's Office proportion was 1.024764%, which was a decrease of .074753% from its proportion measured as of September 30, 2017.

For the year ended December 31, 2018, the Agency recognized pension expense of \$122,638, including the employer's amortization of the change in proportionate share and differences between employer contributions and proportionate share of contributions, \$41.

At December 31, 2018, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ 76,175 |
| Net difference between projected and actual earnings on pension plan investments | - | 101,428 |
| Change in proportionate share from prior year | - | 14,523 |
| Change in assumptions | 255,639 | - |
| Employer contributions subsequent to the measurement date | <u>9,063</u> | <u>-</u> |
| | <u>\$ 264,702</u> | <u>\$ 192,126</u> |

The \$9,063 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase of pension expense as follows:

| | |
|-------------|-------------|
| Year Ended: | |
| 2019 | \$ 46,503 |
| 2020 | \$ (21,868) |
| 2021 | \$ (6,457) |
| 2022 | \$ 23,040 |
| 2023 | \$ 22,295 |

Actuarial methods and assumptions:

The current year actuarial assumptions utilized for this report are based on the assumptions used in the September 30, 2018 actuarial funding valuation, which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, 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 our expectations of future experience for the Fund.

NOTES TO FINANCIAL STATEMENTS

Additional information on the actuarial methods and assumptions used as of September 30 actuarial valuation follows:

| | |
|--------------------------------------|--|
| Valuation date: | September 30, 2018 |
| Actuarial cost method: | Entry Age Normal |
| Investment rate of return: | 6.25%, net of pension plan investment expense, including inflation |
| Inflation rate: | 2.20% |
| Salary increases: | 5.75% |
| Annuitant and beneficiary mortality: | RP-2000 Healty Annuitant Table set forward one year and Projected to 2030 for males and females |
| Active member mortality: | RP-2000 Employee Table set back four years for males and three years for females |
| Disabled Lives Mortality: | RP-2000 Disabled Lives Mortality Table set back five years for males and three years for females. |

Discount Rate

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, 2018, are summarized in the following table.

| Asset Class | Long-Term Expected Portfolio Real Rate of Return |
|----------------------|--|
| Domestic equity | 7.50% |
| International equity | 8.50% |
| Domestic bonds | 2.50% |
| International bonds | 3.50% |
| Real estate | 4.50% |
| Alternative assets | 6.24% |

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employee contributing entities will be made at the actuarially determined 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, the System'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.

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate

The following presents the employer's proportionate share of the Net Pension Liability using the discount rate of 6.25%, as well as what the employer's proportionate share of the Net Pension Obligation

NOTES TO FINANCIAL STATEMENTS

would be if it were calculated using a discount rate that is one percentage-point lower (5.25%) or one percentage-point higher (7.25%) than the current rate:

| | 1.0% Decrease <u>(5.25%)</u> | Current Discount Rate (6.25%) | 1.0% Increase <u>(7.25%)</u> |
|--|---------------------------------|-------------------------------------|---------------------------------|
| Employer's proportionate share of the net pension liability | \$ <u>670,055</u> | \$ <u>199,218</u> | \$ <u>(204,154)</u> |

Pension plan fiduciary net position

The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Louisiana Assessors' Retirement Fund, www.louisianaassessors.org.

Note 8. Post Employment Benefits Other Than Pensions

Plan description:

The Assessor sponsors a Retiree Healthcare Plan (multi-employer defined benefit Other Post Employment Benefit [OPEB] plan) through which it extends medical, dental, and life benefits to qualifying employees upon actual retirement.

A covered employee becomes eligible for participation on his date of hire.

A covered employee may retire at or after age 55 with at least 12 years of credited service or at any age with at least 30 years of credited service.

Coverage is also provided to spouses of retirees who are receiving benefits at the time of retirement. If the retiree predeceases the spouse, coverage for the surviving spouse continues.

Contribution rates:

Employees do not contribute to their post-employment benefit costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Funding policy:

The Assessor recognizes the cost of providing these benefits (the Assessor's portion of premiums) as an expenditure when the monthly premiums are due. In fiscal year 2018, the Assessor's portion of health care funding cost for retired employees totaled \$93,509.

Annual OPEB cost:

The Governmental Accounting Standards Board (GASB) released new accounting standards for public postemployment benefits plans other than pension (OPEB) and participating employers in 2015. These standards, GASB Statements No. 74 and 75 have substantially revised the accounting requirements previously mandated under GASB Statements No. 43 and 45. The most notable change is that the annual

NOTES TO FINANCIAL STATEMENTS

required contributions (ARC) has been eliminated and the net OPEB liability will be an item on the employer's financial statement rather than a footnote entry. Changes in the net OPEB liability is recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows or resources depending on the nature of the change.

The following table shows the changes in the net OPEB obligation:

| | |
|---|---------------------|
| Service Cost | \$ 111,068 |
| Interest on total OPEB liability | 91,704 |
| Recognition of Deferred Inflows/Outflows of Resources | (33,725) |
| Recognition of assumption changes or inputs | <u>221,431</u> |
| OPEB Expense | \$ 390,478 |
| <u>Deferred inflows/outflows:</u> | |
| Differences between expected and actual experience | (118,036) |
| Change in assumptions | 775,009 |
| Benefit payments | <u>(82,306)</u> |
| Increase in OPEB Liability | \$ <u>965,145</u> |
| Net OPEB obligation – beginning of year | \$ 1,170,749 |
| Prior-period adjustment | <u>1,424,815</u> |
| Net OPEB obligation – beginning of year, as adjusted | \$ <u>2,595,564</u> |
| Net OPEB obligation – end of year | \$ <u>3,560,709</u> |

At December 31, 2018, the Assessor recognized OPEB expense of \$390,478. At December 31, 2018, the Assessor reported deferred inflows of resources and deferred outflows of resources related to the post-retirement health care and life insurance benefits:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 118,036 | \$ - |
| Change in assumptions | <u>-</u> | <u>775,009</u> |
| | \$ <u>118,036</u> | \$ <u>775,009</u> |

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year Ended:

| | |
|------|------------|
| 2019 | \$ 187,706 |
| 2020 | \$ 187,706 |
| 2021 | \$ 187,706 |
| 2022 | \$ 93,855 |

NOTES TO FINANCIAL STATEMENTS

Actuarial methods and assumptions:

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for the post-employment benefits includes estimates and assumptions regarding (1) withdrawal rate; (2) retirement rate; (3) mortality rate; (4) discount rate (investment return assumption); (5) disability rate; (6) participation assumption, (7) marriage assumptions), (8) compensation increase and (9) health care assumptions. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Assessor and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Assessor and its plan members to that point. The projection of benefits for the financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Assessor and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Summary of Assumptions

- Valuation date – 01/01/18
- Measurement date – 12/31/2018
- Actuarial cost method – Entry Age Normal
- Inflation – 2.30%
- Salary increases including inflation – 3.00%

Mortality Rate

The mortality tables applicable for the year of the measurement date are based on Sex-distinct RP-2014 Total Dataset Mortality table with separate employee, healthy annuitant rates, projected generationally using scale MP-2017.

Retirement Rates

The expected rate of retirement was assumed as follows:

| <u>Age</u> | <u>Percentage</u> |
|------------|-------------------|
| 46 - 49 | 22% |
| 50 - 54 | 44% |
| 55 - 57 | 4% |
| 58 - 62 | 18% |
| 63+ | 28% |

NOTES TO FINANCIAL STATEMENTS

Withdrawal rates

The following annual rates of withdrawal were used:

| <u>Years of Service</u> | <u>Rate</u> |
|-----------------------------|-------------|
| 1 or less | 12.0% |
| 2 – 6 | 5.0% |
| 7 – 8 | 4.0% |
| 9 – 12 | 3.0% |
| 13 – 14 | 2.0% |
| 15 or more | 1.0% |

Disability rates:

The disability rate for males and females used in the calculations range from .006% to .0195% for ages 18 to 60 and older.

Coverage rate:

One hundred percent of employees electing coverage, while inactive employees and those who are eligible for retiree medical benefits, are assumed to elect continued medical coverage in retirement. Twenty percent of members electing coverage are assumed to also elect coverage for a spouse.

Method of determining value of benefits:

The “value of benefits” has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid.

Discount rate:

The discount rate used to measure the Net OPEB obligation was 4.10%. The discount rate was based on the Bond Buyer’s 20-year bond general obligation index. The discount rate is the single rate of return that, that when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the sum of (1) the actuarial present value of benefit payments projected to be made in future periods where the plan assets are projected to be sufficient to meet benefits payments, calculated using the Long-Term Expected Rate of Return and (2) the actuarial present value of projected benefit payments not included in (1) using the Municipal bond Rate.

Sensitivity of the Assessor’s total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the Assessor, calculated using the discount rate of 4.10%, as well as what the Assessor’s total OPEB obligation would be if it were calculated using a discount

NOTES TO FINANCIAL STATEMENTS

rate that is one-percentage point lower (3.10%) or one percentage-point higher (5.10%) than the current rate:

| | <u>1% Decrease</u> <u>(3.10%)</u> | <u>Current Discount</u> <u>Rate (4.10%)</u> | <u>1% Increase</u> <u>(5.10%)</u> |
|----------------------|--------------------------------------|--|--------------------------------------|
| Total OPEB liability | <u>\$ 4,247,610</u> | <u>\$ 3,560,709</u> | <u>\$ 3,020,752</u> |

Sensitivity of the Assessor's total OPEB liability to changes in the healthcare cost trend rate:

The following presents the total OPEB liability of the Assessor, calculated using the current healthcare cost trend rates as well as what the Assessor's total OPEB liability would be if it were calculated using trend rates that are one-percentage point lower or one-percentage point higher than the current trend rates.

| | <u>1% Decrease</u> | <u>Current Discount</u> | <u>1% Increase</u> |
|----------------------|---------------------|-------------------------|---------------------|
| Total OPEB liability | <u>\$ 3,037,908</u> | <u>\$ 3,560,709</u> | <u>\$ 4,230,973</u> |

Note 9. Expenses of the Assessor Not Included in the Financial Statements

Certain operating expenses of the Assessor's office are paid by the Vermilion Parish Police Jury (the "Jury"). They are:

1. Office space, equivalent to rent, is furnished by the Police Jury.
2. Utility bills are paid by the Police Jury.
3. The Assessor's office has the use of miscellaneous office furniture owned by the Police Jury.

Note 10. Deferred Compensation Plan

The 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 the Internal Revenue Code Section 457. The plan is reported as an agency fund in the State of Louisiana's financial statements. The plan, available to all Assessors' 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.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the general creditors of the State of Louisiana. Participants' rights under the plan are equal to those of general creditors of the State of Louisiana in an amount equal to the fair market value of the deferred account for each participant.

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

NOTES TO FINANCIAL STATEMENTS

The Assessor makes matching contributions equal to the amount deferred by each employee, but not in excess of 5% of an employee's salary to the plan. For the year ended December 31, 2018, the Assessor contributed \$21,938 on behalf of its employees to the plan.

Note 11. Risk Management

The Assessor is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Assessor purchases commercial insurance to cover any claims related to these risks.

Note 12. Prior period adjustments

During the year ended December 31, 2018, the Assessor adopted GASB Statement No. 75, *Accounting for Financial Reporting for Postemployment Benefits Other Than Pension*. GASB 75 established new accounting and financial reporting requirements for OPEB plans. The adoption of this statement resulted in a prior period adjustment (decrease) in the amount of \$1,424,815.

During the year ended December 31, 2018, the Assessor identified \$811,862 that should have been recorded revenue instead of deferred revenue in the December 2017 government-wide financial statements. As such a prior period adjustment (increase) was made to beginning net position.

The net amount of these adjustments was \$612,953.

REQUIRED SUPPLEMENTARY INFORMATION

VERMILION PARISH ASSESSOR
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 For the Year Ended December 31, 2018

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive <u>(Negative)</u> |
|--------------------------------------|----------------------------|-------------------------|-------------------|--|
| Revenues: | | | | |
| Ad valorem taxes | \$ 811,862 | \$ 797,015 | \$ 814,108 | \$ 17,093 |
| Intergovernmental - | | | | |
| State revenue sharing | 50,000 | 53,301 | 53,301 | - |
| Vermilion Parish Police Jury | 15,000 | 15,000 | 15,000 | - |
| Charges for services | 2,000 | 1,500 | 1,114 | (386) |
| Investment earnings | 3,500 | 5,989 | 6,012 | 23 |
| Miscellaneous | <u>6,000</u> | <u>4,576</u> | <u>4,576</u> | <u>-</u> |
| Total revenues | <u>\$ 888,362</u> | <u>\$ 877,381</u> | <u>\$ 894,111</u> | <u>\$ 16,730</u> |
| Expenditures: | | | | |
| Current - | | | | |
| General government: | | | | |
| Salaries and related expenditures | \$ 786,250 | \$ 804,055 | \$ 789,840 | \$ 14,215 |
| Professional services | 13,000 | 14,350 | 14,250 | 100 |
| Automobile insurance | 3,900 | 3,808 | 4,100 | (292) |
| Telephone | 7,000 | 7,000 | 7,082 | (82) |
| Advertising | 3,000 | 2,500 | 2,318 | 182 |
| Computer | 34,310 | 50,207 | 12,219 | 37,988 |
| Office expenses | 5,600 | 2,400 | 2,367 | 33 |
| Travel and meals | 1,500 | 1,300 | 5,922 | (4,622) |
| Vehicle expenses | 7,000 | 6,800 | 3,221 | 3,579 |
| Materials and supplies | 7,500 | 8,000 | 8,123 | (123) |
| Lease expense | - | - | - | - |
| Schools and seminars | 4,500 | 4,850 | 3,366 | 1,484 |
| Repairs and maintenance | 2,100 | 1,854 | 1,972 | (118) |
| Dues and subscriptions | 8,500 | 6,284 | 7,525 | (1,241) |
| Interest expense | 500 | 250 | 268 | (18) |
| Other | 2,040 | 2,140 | 4,338 | (2,198) |
| Capital outlay | <u>-</u> | <u>-</u> | <u>35,115</u> | <u>(35,115)</u> |
| Total expenditures | <u>\$ 886,700</u> | <u>\$ 915,798</u> | <u>\$ 902,026</u> | <u>\$ 13,772</u> |

(continued)

VERMILION PARISH ASSESSOR
 BUDGETARY COMPARISON SCHEDULE (CONTINUED)
 GENERAL FUND
 For the Year Ended December 31, 2018

| | | | | |
|----------------------------|-------------------|-------------------|-------------------|------------------|
| Net change in fund balance | \$ 1,662 | \$ (38,417) | \$ (7,915) | \$ 30,502 |
| Fund balance, beginning | <u>613,464</u> | <u>613,464</u> | <u>613,464</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 615,126</u> | <u>\$ 575,047</u> | <u>\$ 605,549</u> | <u>\$ 30,502</u> |

See Independent Auditors' Report and Notes to Budgetary Comparison Schedule.

VERMILION PARISH ASSESSOR

NOTE TO BUDGETARY COMPARISON SCHEDULE

Note 1. Budgets and Budgetary Accounting

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

1. The Assessor prepares a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
2. The proposed budget is published in the official journal prior to a public hearing.
3. A public hearing is held at the Assessor's office to obtain taxpayer comments.
4. The budget is then legally adopted by the Assessor.
5. The budget is adopted on a basis consisted with generally accepted accounting principles (GAAP).

All budgeted appropriations lapse at year-end. The budgets presented are the originally adopted budget and the final budget.

VERMILION PARISH ASSESSOR

SCHEDULE OF THE CHANGES IN TOTAL
OPEB LIABILITY AND RELATED RATIOS
For the Year Ended December 31, 2018

| | <u>2018</u> |
|--|---------------------|
| Service Cost | \$ 111,068 |
| Interest on total OPEB liability | 91,704 |
| Changes of benefits terms | - |
| Effect of economic/demographic gains or (losses) | (151,761) |
| Effect of assumption changes or inputs | 996,440 |
| Benefit payments | <u>(82,306)</u> |
| Net change in total OPEB liability | \$ 965,145 |
| Total OPEB liability beginning | <u>2,595,564</u> |
| Total OPEB liability ending | <u>\$ 3,560,709</u> |
| Covered payroll | 453,196 |
| Total OPEB liability as a % of covered payroll | 785.69% |

See Independent Auditor's Report.

VERMILION PARISH ASSESSOR

SCHEDULES OF THE PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

For the Years Ended December 30, 2018, 2017, 2016, 2015 and 2014

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Assessor Office's proportion of the net pension liability | 1.024764% | 1.099517% | 1.151500% | 1.133874% | 0.992476% |
| Assessor Office's proportion share of the net pension liability | \$ 199,218 | \$ 192,933 | \$ 406,329 | \$ 593,382 | \$ 349,966 |
| Assessor Office's covered employee Payroll | \$ 453,196 | \$ 467,492 | \$ 508,086 | \$ 481,069 | \$ 462,570 |
| Assessor Office's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 43.96% | 41.27% | 79.97% | 123.35% | 75.66% |
| Plan fiduciary net position as a percentage on the total pension liability | 95.46% | 95.61% | 90.68% | 85.57% | 89.98% |

See Independent Auditors' Report.

VERMILION PARISH ASSESSOR

SCHEDULES OF PENSION CONTRIBUTIONS

For the Years Ended December 31, 2018, 2017, 2016, 2015 and 2014

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------|---------------|---------------|---------------|---------------|
| Contractually required contribution | \$ 36,256 | \$ 44,513 | \$ 64,146 | \$ 64,944 | \$ 62,447 |
| Contributions in relation to the Contractually required contribution | <u>36,256</u> | <u>44,513</u> | <u>64,146</u> | <u>64,944</u> | <u>62,447</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| Assessor Office's covered-employee Payroll | \$ 453,196 | \$ 467,492 | \$ 508,086 | \$ 481,069 | \$ 462,570 |
| Contributions as a percentage of covered-employee payroll | 8.00% | 9.52% | 12.63% | 13.50% | 13.50% |

See Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

VERMILION PARISH ASSESSOR
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD
For the Year Ended December 31, 2018

Agency Head: Gabe Marceaux

| <u>Purpose</u> | <u>Amount</u> |
|-----------------------|-------------------|
| Salary | \$ 144,314 |
| Benefits – insurance | 17,352 |
| Benefits – retirement | 12,700 |
| Benefits – other | 7,216 |
| Reimbursements | 14,431 |
| Registration fees | 480 |
| Conference travel | <u>1,295</u> |
| | <u>\$ 197,788</u> |

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

The Vermilion Parish Assessor
Abbeville, 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 basic financial statements of the Vermilion Parish Assessor as of and for the year ended December 31, 2018, and the related notes to financial statements and have issued our report thereon dated June 14, 2019.

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 combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Assessor'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. We consider the deficiency described in the accompanying schedule of findings and responses at #2018-1 to be a material weakness.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a deficiency in internal control that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Assessor's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement

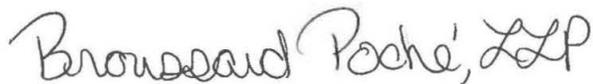
amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Vermilion Parish Assessor's Responses to the Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Assessor's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Assessor's internal control and compliance. This report is intended for the information and use of the Vermilion Parish Assessor, management, others within the entity, federal awarding agencies and pass-through entities, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this communication is not suitable for any other purpose, however, this report is a matter of public record and its distribution is not limited.



Lafayette, Louisiana
June 14, 2019

VERMILION PARISH ASSESSOR
 SCHEDULE OF FINDINGS AND RESPONSES
 Year Ended December 31, 2018

We have audited the basic financial statements of the Vermilion Parish Assessor as of and for the year ended December 31, 2018, and have issued our report thereon dated June 14, 2019. 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. Our audit of the financial statements as of December 31, 2018 resulted in an unmodified opinion.

Section I. Summary of Auditors' Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

| | | |
|---|--------------|------------------------|
| Material weaknesses | <u>X</u> Yes | ___ No |
| Control deficiencies identified that are not considered to be material weaknesses | ___ Yes | <u>X</u> None reported |

Compliance

| | | |
|---|---------|-------------|
| Compliance material to financial statements | ___ Yes | <u>X</u> No |
|---|---------|-------------|

Section II. Financial Statement Findings

#2018-1 Segregation of Duties

Condition: The Assessor does not have enough personnel to achieve adequate segregation of duties in the accounting department. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize that the Assessor may not be large enough to permit adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition.

Criteria: An effective system of internal control requires proper segregation of employee duties and responsibilities so that no one individual handles a transaction from inception to completion.

Cause: The Assessor's Office has a limited number of employees within the accounting function.

Effect: There are inherent weaknesses in internal control when effective segregation of duties does not exist.

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned, the Assessor should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Management Response: Management has provided as much segregation as possible with the resources available.

VERMILION PARISH ASSESSOR

SCHEDULE OF PRIOR FINDINGS

Year Ended December 31, 2018

Section I. Internal Control and Compliance Material to the Financial Statements

#2017-1 Segregation of Duties

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned, the Assessor should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Current Status: This finding is in the current year's schedule of findings and responses at #2018-1. The Assessor has provided as much segregation of duties as possible with the resources available.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

The prior year's report did not include a management letter.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Gabe Marceaux
Vermillion Parish Assessor
Abbeville, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Vermilion Parish Assessor (Assessor) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Assessor's management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted 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 and inspect the Assessor's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the Assessor's operations):

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

We obtained a copy of their budgeting policy effective for the fiscal year ended December 31, 2018. All above budgeting items were addressed in the policy obtained.

- 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.

We obtained a copy of their purchasing policy effective for the fiscal year ended December 31, 2018. All above purchasing items were addressed in the policy obtained.

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

We obtained a copy of their disbursements policy effective for the fiscal year ended December 31, 2018. All above disbursement items were addressed in the policy obtained.

- d. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).

We obtained a copy of their receipts policy effective for the fiscal year ended December 31, 2018. All above receipt items were addressed in the policy obtained.

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

We obtained a copy of their payroll/personnel policy effective for the fiscal year ended December 31, 2018. All above payroll/personnel items were addressed in the policy obtained.

- 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.

We obtained a copy of their contracting policy effective for the fiscal year ended December 31, 2018. All above contracting items were addressed in the policy obtained.

- 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 of statements, and (5) monitoring card usage (e.g. determining the reasonableness of fuel card purchases).

We obtained a copy of their credit card policy effective for the fiscal year ended December 31, 2018. All above credit card items were addressed in the policy obtained.

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

We obtained a copy of their travel and expense reimbursement policy effective for the fiscal year ended December 31, 2018. All above travel and expense reimbursement items were addressed in the policy obtained.

- i. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:111-1121, (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 Assessor's ethics policy.

We obtained a copy of their ethics policy effective for the fiscal year ended December 31, 2018. All above ethics items were addressed in the policy obtained.

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

We obtained a copy of their debt service policy effective for the fiscal year ended December 31, 2018. All above debt service items were addressed in the policy obtained.

Board (or Finance Committee, if applicable)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

- b. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

- c. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Assessor's main operating account. Select the Assessor's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

We obtained a listing of all bank accounts for the fiscal year ending December 31, 2018. A representation was obtained by management that the listing was complete.

- a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date.

- b. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Bank reconciliations did not contain evidence of management approval. The bank statement was signed after review by the Assessor.

Management's response: *In the future, the Assessor will review and initial all bank reconciliations.*

- c. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

There were no reconciling items that have been outstanding for more than 12 months from the statement closing date.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

We obtained a list of all deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. There was only one deposit site listed.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

We obtained a listing of collection locations and management's representation that the listing is complete. There are two collection locations. We obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties are properly segregated at each collection location. The collection location selected for testing is the Assessor's Office

- a. Employees that are responsible for cash collections do not share cash drawers/registers.

There is only one employee responsible for collections.

- b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

The Assessor collects the checks and then gives all collections to the Chief Deputy to prepare/make the deposits.

- c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

The Assessor is responsible for the collections and the Chief Deputy is responsible for posting all collections to the general ledger.

- d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The Assessor is responsible for the collections and the Chief Deputy is responsible for reconciling the cash accounts each month.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Employees responsible for collecting cash are not bonded and there is no insurance policy for theft.

Management's response: *The costs of the insurance/bond would exceed the cash collected in a year.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- a. Observe that receipts are sequentially pre-numbered.

Receipts are sequentially pre-numbered.

- b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

We traced the sequentially pre-numbered receipts, system reports & other related collection documentation to the deposit slips.

- c. Trace the deposit slip total to the actual deposit per the bank statement.

We traced the deposit slip to the actual deposit per the bank statement

- d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

The date of collection was not noted on the various collections, therefore we were unable to determine the number of days between collection and deposit.

Management's response: The date of collection will be noted on all future collections.

- e. Trace the actual deposit per the bank statement to the general ledger.

We traced the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding Card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

We obtained a list of all locations that process payments for the fiscal period and management's representation that the listing is complete. There was only one location that processes payments listed.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Obtained list of employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties and inquired of management for duties not included in written policies and procedures.

- a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

The Assessor verbally approves all purchases over \$50. After approval the Assessor or the Chief Deputy then order/make the purchase.

- b. At least two employees are involved in processing and approving payments to vendors.

The Assessor initials all invoices showing approval to pay. After approval by the Assessor, the Chief Deputy processes the payments.

- c. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

The Chief Deputy is responsible for adding/modifying vendor files and processing payments.

Management's Response: *The Assessor will be responsible for reviewing changes to vendor files.*

- d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The Chief Deputy has access to the signature stamp of the Assessor and stamps all checks. The checks are given to another Deputy to mail out.

10. For each location selected under #8 above, obtain the Assessor's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

Obtained the non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete.

- a. Observe that the disbursement matched the related original invoice/billing statement.

The disbursements selected for testing matched the related original invoice/billing statement.

- b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

For all disbursements selected, the documentation included evidence of all disbursements being handled in agreement with the Entity's disbursement/purchasing policy.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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.

Management provided a list of all active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers and the names of the persons who maintain possession of the cards. We obtained management's representation that the listing was complete. The Assessor only has 1 credit card.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) 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.]]

The monthly statement elected for testing was reviewed and approved in writing by the Assessor, who is also the cardholder.

Management's Response: *The Chief Deputy will now review and approve the credit card statements.*

- b. Observe that finance charges and late fees were not assessed on the selected statements.

No finance charges or late fees were assessed on the selected statement.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

For the transactions selected for testing, (1) all were supported by an original itemized receipt that identified precisely what was purchased, (2) all had written documentation of the business/public purpose, and (3) the one meal charge transaction did not have documentation of individuals participating in meals.

Management's Response: *Future meal receipts will now have a list of individuals participating.*

Travel and Travel-Related Expense Reimbursement (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

- b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

- c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

- d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

Contracts

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

- b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

- c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

- d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

Payroll and Personnel

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We agreed the selected employees/officials salaries/pay rates to the W-2s on file. Pay rates not maintained in personnel files.

Management's Response: *Pay rates will be added to personnel files.*

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a. Observe that 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.)

Daily attendance/leave is not required to be documented for all salaried/full-time employees. For the part-time employee selected for testing, we observed documentation for daily attendance. A leave schedule is maintained by the Chief Deputy showing the leave days used by each employee with the cumulative total days left to use.

- b. Observe that supervisors approved the attendance and leave of the selected employees/officials.

Daily attendance/leave is not required to be documented for all salaried/full-time employees. For the part-time employee selected for testing, we observed approval by the Assessor for attendance. Approval for leave is not required for full-time employees. A leave schedule is maintained by the Chief Deputy showing the leave days used by each employee with the cumulative total days left to use.

- c. Observe that any leave accrued or taken during the pay period is reflected in the Assessor's cumulative leave records.

A leave schedule is maintained by the Chief Deputy showing the leave days used by each employee with the cumulative total days left to use.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Per management, there were not terminations in the current fiscal year.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Per management, the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the Assessor's ethics policy during the fiscal period.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Assessor reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Assessor is domiciled.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

24. Observe that the Assessor has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Broussard Poche, LLP

Lafayette, Louisiana
June 14, 2019