



**LAFORCHE PARISH ASSESSOR
Thibodaux, Louisiana**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORTS**

DECEMBER 31, 2018



(A Professional Corporation)
164 West Main Street, Thibodaux, LA 70301
South end of Canal Boulevard
(985) 447-8507 Fax (985) 447-4833
www.kearnscpa.com

**LAFOURCHE PARISH ASSESSOR
Thibodaux, Louisiana**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORTS**

DECEMBER 31, 2018

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INDEPENDENT AUDITORS' REPORT

Honorable Wendy L. Thibodeaux
Lafourche Parish Assessor
Thibodaux, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lafourche Parish Assessor (the 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the Louisiana Governmental Audit Guide 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 from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Budgetary Comparison Schedule*, the *Schedule Changes in Total OPEB Liability and Related Ratios*, *Schedule of Employer Contributions*, and the *Schedule of Proportionate Share of Net Pension Liability* on pages 33 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Assessor's basic financial statements. The *Schedule of Compensation, Benefits, and Other Payments to Agency Head* is presented for purposes of additional analysis as required by Act 706 of the 2014 Louisiana Legislative Session and is not a required part of the basic financial statements,

The *Schedule of Compensation, Benefits, and Other Payments to Agency Head* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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* is 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 28, 2019, on our consideration of the Lafourche Parish Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Lafourche Parish Assessor's internal control over financial reporting and compliance.



T.S. Kearns & Co., CPA, PC
Certified Public Accountants
June 28, 2019
Thibodaux, Louisiana

BASIC FINANCIAL STATEMENTS
GOVERNMENT WIDE FINANCIAL STATEMENTS

LAFOURCHE PARISH ASSESSOR

Thibodaux, Louisiana

STATEMENT OF NET POSITION

DECEMBER 31, 2018

ASSETS

Current assets:

Cash and cash equivalents	\$ 3,063,918
Investments	1,394,611
Receivables:	
Ad valorem taxes	1,831,030
State revenue sharing	57,345
Interest	6,903
Total current assets	<u>6,353,807</u>

Noncurrent assets:

Capital assets, net of accumulated depreciation	88,350
Deposits	700
Total noncurrent assets	<u>89,050</u>
Total assets	<u>6,442,857</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension Related	629,388
OPEB Related	432,641
Total deferred outflows of resources	<u>1,062,029</u>

LIABILITIES

Current Liabilities:

Accounts payable	6,657
Accrued expenses	16,817
Total current liabilities	<u>23,475</u>

Noncurrent liabilities:

OPEB Liability	4,905,641
Net Pension Liabilities	399,632
Protest taxes	22,552
Total noncurrent liabilities	<u>5,327,825</u>
Total liabilities	<u>5,351,299</u>

DEFERRED INFLOWS OF RESOURCES

Pension Related	408,422
OPEB Related	193,146
Ad Valorem Tax Revenue	63,445
Total deferred inflows of resources	<u>665,013</u>

NET POSITION

Invested in capital assets	88,350
Unrestricted	1,400,223
Total net position	<u>\$ 1,488,573</u>

The accompanying notes are an integral part of this financial statement.

LAFOURCHE PARISH ASSESSOR
Thibodaux, Louisiana
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position
Governmental activities:		
Property assessment and tax roll preparation	<u>\$ 2,446,629</u>	<u>\$ (2,446,629)</u>
General Revenues:		
Ad valorem taxes		2,012,059
Interest		29,731
State revenue sharing		57,345
Gain (loss) on sale of fixed assets		(333)
Contributions from non-employer contributing entities		277,651
Miscellaneous		<u>1,289</u>
Total general revenues		<u>2,377,742</u>
Change in net position		(68,887)
Net position - beginning (restated, see Note II)		<u>1,557,460</u>
Net position - ending		<u>\$ 1,488,573</u>

The accompanying notes are an integral part of this financial statement.

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

LAFOURCHE PARISH ASSESSOR
Thibodaux, Louisiana
BALANCE SHEET - GOVERNMENTAL FUND
DECEMBER 31, 2018

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 3,063,918
Ad valorem tax receivable	152,520
State revenue sharing receivable	19,183
Due from other governments	1,577,420
Investments	1,394,611
Deposits	700
Total assets	\$ 6,208,352
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 6,657
Accrued expenses	16,817
Protest taxes	22,552
Total liabilities	46,026
Deferred Inflows of Resources	
Ad valorem taxes	101,090
Total deferred inflows of resources	101,090
Fund balance	
Unassigned	6,061,235
Total fund balance	6,061,235
Total liabilities, deferred inflows of resources and fund balance	\$ 6,208,352

The accompanying notes are an integral part of this financial statement.

LAFOURCHE PARISH ASSESSOR

Thibodaux, Louisiana

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2018

Total fund balances - Governmental Funds \$ 6,061,235

Total Net Position reported for Governmental Activities
in the Statement of Net Position is different because:

Capital Assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.

Equipment and Furniture	319,712	
Vehicles	78,668	
Less: Accumulated Depreciation	<u>(310,030)</u>	88,350

Revenues that have been deferred are unearned in the governmental funds but are recognized as revenue in the government wide financial statements. 183,800

Deferred outflows of expenditures for the retirement system and OPEB obligation are not available resources and therefore, are not reported in the funds.

Deferred outflows - pension related	629,388	
Deferred outflows - OPEB related	<u>432,641</u>	1,062,029

Long-term liabilities applicable to the Assessor's activities are not due and payable in the current period and accordingly are not reported as fund liabilities.

OPEB liability	(4,905,641)	
Net pension liability	<u>(399,632)</u>	(5,305,273)

Deferred inflows of contributions for the retirement system and OPEB obligation are not payable from current expendable resources, and therefore, are not reported in the fund financial statements.

Deferred inflows - OPEB related	(193,146)	
Deferred inflows - pension related	<u>(408,422)</u>	<u>(601,568)</u>

Net position of governmental activities \$ 1,488,574

LAFOURCHE PARISH ASSESSOR

Thibodaux, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND DECEMBER 31, 2018

	<u>General Fund</u>
REVENUES	
Intergovernmental:	
Taxes	\$ 1,963,961
Interest	26,504
State revenue sharing	57,345
Miscellaneous	1,289
	<hr/>
Total Revenues	2,049,099
	<hr/>
EXPENDITURES	
Current	
General government-taxation:	
Personnel services	1,725,778
Supplies and materials	33,976
Other services and charges	234,589
Repairs and maintenance	-
	<hr/>
Total current expenditures	1,994,343
Capital outlay expenditures	33,401
	<hr/>
Total Expenditures	2,027,743
	<hr/>
Excess revenues over (under) expenditures	21,355
Other financing sources (uses)	
Proceeds - vehicle trade-in	9,000
Total other financing sources (uses)	9,000
	<hr/>
Excess (deficiency) of revenues and other sources Over expenditures and other uses	30,355
Fund balance, beginning of year (restated, see Note II)	6,030,880
	<hr/>
Fund balance, end of year	\$ 6,061,235
	<hr/> <hr/>

The accompanying notes are an integral part of this financial statement.

LAFOURCHE PARISH ASSESSOR

Thibodaux, Louisiana

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES DECEMBER 31, 2018

Total net change in fund balance for the year ended per Statement of Revenues, Expenditures, and Changes in Fund Balance \$ 30,355

The change in net position reported for governmental activities in the Statement of Activities is different because:

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.

Capital outlay which is considered expenditures on the statement of revenues, expenditures and changes in fund balance.	\$ 33,401	
Basis of capital assets removed from service	(9,333)	
Depreciation expense	<u>(34,721)</u>	(10,653)

Some of the revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These timing differences are summarized below:

Accrued post-employment benefits	(286,793.00)	
Pension expense	(130,771.88)	
Ad valorem tax revenue	48,098.53	
Interest income	3,226.57	
Contributions from non-employer contributing entities	<u>277,651.00</u>	<u>(88,589)</u>

Change in net position of governmental activities \$ (68,887)

LAFOURCHE PARISH ASSESSOR

Thibodaux, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the assessor is elected by the voters of the parish and serves a four-year term. The assessor assesses all real and movable property in the parish, subject to ad valorem taxation. The assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and provide assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the assessor is officially and peculiarly responsible for the actions of the deputies.

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 the collection and distribution of taxes to the various taxing bodies.

At December 31, 2018, there were 96,573 real property, movable property, and public service assessments totaling \$1,137,402,280. This represents an increase of 855 assessments with an increase in assessed value totaling \$4,057,131 over the prior year.

A. Reporting Entity

This report includes all funds which are controlled by the Assessor as an independently elected parish official. Control by or dependence on the Assessor was determined on the basis of general oversight responsibility. As an independently elected official, the Assessor is solely responsible for the operations of her office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Assessor's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses of other functions are not allocated to those functions but

LAFOURCHE PARISH ASSESSOR

Thibodaux, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

are reported separately in the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

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

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

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

The major fund of the Assessor is described below:

Governmental Fund - General Fund

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

C. Measurement Focus / Basis of Accounting

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

LAFOURCHE PARISH ASSESSOR

Thibodaux, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

Measurement Focus

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

Basis of Accounting

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

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

Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the Assessor's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Assessor's general revenues.

Use of Restricted Resources

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

LAFOURCHE PARISH ASSESSOR
Thibodaux, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

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

Cash and interest-bearing deposits

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes and state revenue sharing. The financial statements for the Assessor contain no allowance for uncollectible accounts. At year-end, an allowance for ad valorem taxes was considered unnecessary due to immateriality.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2018, are recorded as prepaid items. The Assessor uses the consumption method to account for prepaid items.

Investments

Investments consist of certificates of deposit which are stated at cost and approximate market value.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Assessor maintains a threshold level of \$250 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 5 to 15 years.

LAFOURCHE PARISH ASSESSOR

Thibodaux, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

Compensated Absences

Employees of the Assessor's office earn two weeks of non-cumulative vacation and sick leave each year after one year of employment. Leave for extended hospital confinements may be granted at the discretion of the Assessor. Vacation leave and sick or personal leave does not accumulate and is not payable upon termination or retirement. At December 31, 2018, there are no accumulated or vested benefits relating to vacation or sick leave that are required to be accrued or reported.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. The Assessor's deferred outflows and inflows of resources on the government-wide statement are attributable to its pension plan and OPEB plan. Ad valorem taxes for the governmental fund which have not been remitted within 60 days subsequent to year end are considered deferred inflows of resources.

Equity Classifications

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

- Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position- Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances of the governmental funds are classified as follows.

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

LAFOURCHE PARISH ASSESSOR

Thibodaux, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

Restricted - represents balances where constraints have been established by parties outside the Assessor's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Assessor's highest level of decision-making authority.

Assigned - represents balances that are constrained by the Assessor's intent to be used for specific purposes, but are not restricted or committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Assessor will reduce restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Assessor will reduce committed amounts first, followed by assigned amounts, and then unassigned amounts.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

E. Budgeting

As required by Louisiana Revised Statute 39:1303, the Assessor adopted and amended a budget for its General Fund. The budgetary practices included public notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Assessor. All budgeted amounts, which are not expensed, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

LAFOURCHE PARISH ASSESSOR

Thibodaux, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

F. Subsequent Events

The Assessor evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through June 28, 2019, which is the date the financial statements were available to be issued.

G. New Accounting Pronouncement

During the year ended December 31, 2018, the Assessor implemented the GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pensions*. This statement replaces the requirements of GASB Statement No. 45. This Statement requires governments to report a liability on the face of the financial statements for the OPEB that they provide: governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability, governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan and governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability to their employees. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Implementation of this Statement required the restatement of net position as of December 31, 2017 for the cumulative unfunded actuarial liability as described in Note II.

NOTE II – RESTATEMENT

Effective for the year ended December 31, 2018, the Assessor implemented GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*. Implementation of the new accounting standard required restatement of beginning net position for the net Other Postemployment Benefits (OPEB) liability.

The restatement had the following impact on previously reported balances.

Statement of Activities	Governmental Activities
Net position, December 31, 2017, as previously reported	\$2,342,233
Restatement for implementation of GASB Statement No. 75, see Note X	(2,037,120)
Net position, December 31, 2017, as restated	\$305,113

LAFOURCHE PARISH ASSESSOR

Thibodaux, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

Additionally, in order to comply with GASB 65, a prior period adjustment was made to restate Net Position, Fund Balance, Deferred Inflows of Resources, Due from Government, Revenue Sharing Receivable, and Ad Valorem tax Receivable.

The restatement had the following impact on previously reported balances.

Fund Financial Statements

Account name	Increased (decreased) previously reported balances
Deferred inflows – ad valorem tax	(1,748,251)
Deferred inflows - revenue sharing	(57,243)
Due from government	(50,716)
Receivable - revenue sharing	(38,162)
Receivable – ad valorem tax	(141,945)
Unassigned fund balance	1,574,671

NOTE III - CASH & INVESTMENTS

At December 31, 2018, the Assessor had cash and cash equivalents (book balances) and investments, comprised entirely of certificates of deposit, as follows:

Demand Deposits	\$ 221,781
Time Deposits	2,842,137
Total Cash	<u>\$ 3,063,918</u>
Certificates of Deposit	1,394,611
Total Investments	<u>\$ 1,394,611</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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Custodial credit risk is the risk that in the event of a financial institution failure, the Assessor's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. At December 31, 2018, the Assessor had \$4,459,151 in deposits (collected bank balances).

These deposits are secured from risk by \$1,373,131 of federal deposit insurance and \$3,086,021 of pledged securities held by the custodial bank in the name of the fiscal agent bank. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, R.R. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the assessor that the fiscal agent has failed to pay deposited funds on demand.

NOTE IV - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2018, are as follows:

	Balance at			Balance at
	12/31/2017	Additions	Deletions	12/31/2018
All capital assets are being depreciated				
Capital assets, cost:				
Equipment & furniture	\$ 320,022	\$ 1,219	\$ (1,531)	\$ 319,710
Vehicles	78,434	32,182	(31,947)	78,668
Total	<u>398,456</u>	<u>33,401</u>	<u>(33,479)</u>	<u>398,378</u>
Less: accumulated depreciation	(299,453)	(34,721)	24,146	(310,028)
Total capital assets, net	<u>\$ 99,003</u>	<u>\$ (1,321)</u>	<u>\$ (9,333)</u>	<u>\$ 88,350</u>

For the year ended December 31, 2018, depreciation expense was \$33,401.

NOTE V - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2018 consisted of ad valorem tax funds totaling \$1,577,420 due from the Lafourche Parish Sheriff's Office.

LAFOURCHE PARISH ASSESSOR

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NOTE VI - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2017. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2018 was \$1.97 per \$1,000 of assessed valuation on property within Lafourche Parish for the purpose of assessing property, preparing tax rolls and submitting the rolls to the Louisiana Tax Commission. Taxes levied November 1, 2018 are for budgeted expenditures in 2019.

NOTE VII - LONG-TERM OBLIGATIONS

The following is a summary long term debt for the year ended December 31, 2018:

	Net OPEB Obligation	Net Pension Liability	Protest Taxes
Balance December 31, 2017	\$ 4,379,353	\$ 351,997	\$ 22,552
Additions	526,288	47,635	-
Deletions			-
Balance December 31, 2018	\$ 4,905,641	\$ 399,632	\$ 22,552

The balance of net OPEB obligation at December 31, 2017 has been restated to reflect the current-year implementation of GASB 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions* (see note II).

NOTE VIII - PENSION AND RETIREMENT PLANS

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

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The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898. This report can also be found on the Fund's website at www.louisianaassessors.org.

Plan Description

Substantially all of the full-time employees of the Assessor participate in the Louisiana Assessors' Retirement Fund (the Fund), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The Plan provides pension, death, and disability benefits.

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

Pension Benefits

Employees who were hired before October 1, 2013, will be eligible for pension benefits once they have either reached the age of 55 and have at least 12 years of service or have at least 30 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 60 and have at least 12 years of service or have reached the age of 55 and have at least 30 years of service. Employees who became members prior to October 1, 2006, are entitled to annual pension benefits equal to three and one-third percent of their average final compensation based on the 36 consecutive months of highest pay, multiplied by their total years of service, not to exceed 100% of final compensation. Employees who become members on or after October 1, 2006 will have their benefit based on the highest 60 months of consecutive service. Employees may elect to receive their pension benefits in the form of a joint/survivor annuity.

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

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

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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 as provided for in R.S. 11:1423, which shall cease upon a subsequent marriage, 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.

Contributions

At December 31, 2018, members of the Fund are required by state statute to contribute 8% of their annual covered salary and the Assessor is required to contribute at an actuarially determined rate, which was 8% of annual covered payroll as of December 31, 2018. The contribution requirements of plan members and the Assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Member contributions are deducted from the member's salary and remitted by the Assessor. Administrative costs of the Fund are financed through employer contributions.

The Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state as well as a state revenue sharing appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee. Although the direct employer actuarially required contribution for the fiscal year ended September 30, 2018 is 5.24%, the actual employer contribution rate for the fiscal year ended September 30, 2018 was 8.00%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set one year prior to the year effective.

Louisiana Revised Statute 11:1481 requires plan members to contribute 8.00% into the Fund. For the calendar year 2018, the Assessor elected to pay 100% of the employees' contribution to the

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Fund. The Assessor's contributions to the Fund for the year ending December 31, 2018 was \$143,296. Contributions from non-employer contributing entities were \$277,651 for the year ended December 31, 2018.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the Assessor reported a liability totaling \$399,632 for its proportionate share of the net pension liability for the Fund. The net pension liability was measured as of September 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Assessor's proportion of the Net Pension Liability was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2018, the Assessor's proportion was 2.055682% for the Fund, which was an increase of 0.049669% from its proportion measured as of September 30, 2017.

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2018, the Assessor recognized \$130,772 in pension expense.

For the year ended December 31, 2018, the Assessor recognized revenue from ad valorem taxes and revenue sharing funds received by the Fund. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities totaling \$277,651.

At December 31, 2018, the Assessor reported deferred outflows of resources and deferred inflows of resources related to pensions from the Fund:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,154	\$ 182,965
Change in assumptions	512,814	-
Net difference between projected and actual earnings on pension plan investments	-	203,467
Changes in proportion and differences between employer contributions and proportionate share of contributions	37,059	21,990
Employer contributions subsequent to the measurement date.	-	-
Total	\$ 580,027	\$ 408,422

Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation for the Fund was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	September 30, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return (discount rate)	6.25%, net of pension investment expense, including inflation
Inflation Rate	2.20%
Salary Increases	5.75%
Annuitant and beneficiary mortality.	RP-2000 Healthy Annuitant Table set forward one year and projected to 2030 for males and females.

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Active Members Mortality

RP-2000 Employee Tables set back four years for males and three years for females.

Disabled Lives Mortality

RP-2000 Disabled Lives Mortality Tables set back five years for males and three years for females.

The 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 expectations of future experience for the Fund.

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:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
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 long-term expected rate of return selected for this report by the Fund was 6.25%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and

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approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions and the other assumptions and methods as specified in this report, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Thus, the discount rate used to measure the total pension liability was 6.25%.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2018 is 6 years.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Fund calculated using the discount rate of 6.25%, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate (assuming all other assumptions remain unchanged):

	1 % Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Assessor's Share of Net Pension Liability	\$ 1,344,133	\$ 399,632	(\$ 409,534)

NOTE IX - DEFERRED COMPENSATION PLAN

All fulltime employees of the Lafourche Parish Assessor are eligible to contribute to the State of Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the

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separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

Funding Policy. The assessor will match up to 100% of the employee contribution per pay period for each employee. The total employer contribution expense for 2018 was \$47,563.

NOTE X - POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

In adopting the requirements of Governmental Accounting Standard Board (GASB) Statement No. 75 during the year ended December 31, 2018, the Assessor recognizes the cost of post-employment healthcare and life insurance benefits in the year when employee services are received, recognizes a liability for OPEB obligations, known as the total OPEB liability, on the statement of net position, and provides information useful in assessing potential demands on the Assessor's future cash flows. Changes in total OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

General Information about the OPEB Plan

Plan Description: Continuing health care and life insurance benefits are provided for those retired employees who have reached normal retirement age while employed by the Assessor. The plan is a cost sharing, multiple-employer defined benefit health care plan administered by the Insurance Committee of the Assessor's Insurance Fund dba Louisiana Assessor's Association. The Insurance Committee of the Assessor's Insurance Fund has the authority to establish and amend the benefit provisions of the plan. The plan issued a publicly available financial report. No assets are accumulated in a trust that meets the criteria of paragraph 4 of Statement No. 75.

Benefits Provided: The Assessor provides medical, dental, and life insurance coverage for eligible employees, retirees, and their dependents through the Louisiana Assessor's Association. The Assessor pays for the cost of the employee's and retiree's medical, dental, and life coverage. The retiree can also elect to cover his or her spouse and dependents but must pay the entire premium for their coverage. The Assessor recognizes the cost of providing these benefits (the Assessor's portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay as-you-go basis.

Employees Covered by Benefit Terms: At December 31, 2018 the following employees were covered by the benefit terms -

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Active employees	16
Retirees	7
Beneficiaries	1
Spouses of retirees	6
Total	30

Total OPEB Liability

The Assessor's total OPEB liability of \$4,905,641 was measured as of December 31, 2018 and was determined by an actuarial valuation as of January 1, 2018.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry-Age Normal
Inflation	2.30%
Salary increases, including inflation	3.00%
Discount rate	4.10%
Health care cost trend rates	
Medical	4.00% for 2018, varying gradually until an ultimate rate of 5.0% for 2024 and beyond.

The discount rate was based on the 12/31/2018 Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates for healthy retirement were based on the Sex-distinct RP-2014 Total Dataset Mortality with separate employee, healthy annuitant rates, projected generationally using scale MP-2017. Mortality rates for disabled retirees were based on the Sex-distinct RP-2014 Total Dataset Mortality with separate employee, disabled annuitant rates, projected generationally using scale MP-2017.

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Changes in the Total OPEB Liability

The following presents changes in the total OPEB liability.

Balance, 12/31/17	\$4,379,353
Changes for the year:	
Service cost	248,193
Interest	156,670
Difference between expected and actual experience	486,054
Changes in assumptions	(216,991)
Benefit payments	(147,638)
Balance, 12/31/18	\$4,905,641

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the Assessor, as well as what the Assessor's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	3.10%	4.10%	5.10%
Total OPEB liability	\$5,841,697	\$4,605,641	\$4,175,145

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

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$4,151,530	\$4,905,641	\$5,904,785

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Assessor recognized an OPEB expense of \$434,431. At December 31, 2018, the Assessor reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	\$432,641
Changes of assumptions or other inputs	(193,146)	0
Amounts paid subsequent to the measurement date	0	0
Total	(193,146)	\$432,641

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

Year ended December 31,	
2019	\$ (29,568)
2020	(29,568)
2021	(29,568)
2022	(29,568)
2023	(29,568)
Thereafter*	(91,655)

*Note that additional future deferred inflows and outflows of resources may impact these numbers.

NOTE XI - TAX ABATEMENTS

The local government is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP") and grant sales tax rebates to taxpayers pursuant to the Enterprise Zone Tax Rebate Program ("EZ Program"). For the year ending December 31, 2017, the government participated in the Industrial Tax Exemption Program.

Under the ITEP, as authorized by *Article 7, Section 21(F) of the Louisiana Constitution and Executive Order Number JBE 2017-73*, companies that qualify as manufacturers can apply to the State Board for a property tax exemption on all new property, as defined, used in the manufacturing process. Under the ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. The exemptions are granted for a 5 year term and are renewable for an additional 5 year term upon approval by the State Board. In the case of the local government, these state-granted abatements have resulted in reductions of property taxes, which the tax assessor administers as a temporary reduction in

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the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement.

Taxes abated for the fiscal year ended December 31, 2018 were as follows:

Tax Abatement/Refund Program	Amount of Taxes Abated During the Fiscal Year
Industrial tax Exemption Program	\$121,599

NOTE XII - LEASE COMMITMENT

On July 1, 2017, the Assessor entered into a one-year lease agreement for office facilities with the Town of Lockport. The lease terms provided for monthly rental payments of \$315. The lease was renewed July 1, 2018 for a one-year term. Rental expenditures for the year ended December 31, 2018 were \$3,780.

NOTE XIII-LITIGATION

The Assessor is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Assessor carries commercial insurance. No settlements were made during the year that exceeded the Assessor's insurance coverage.

REQUIRED SUPPLEMENTARY INFORMATION

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BUDGETARY COMPARISON SCHEDULE - GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2018

	Original	Final (Amended)	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Ad Valorem tax and revenue sharing	\$ 1,947,112	\$ 1,873,493	\$ 2,021,305	\$ 147,812
Interest earned	10,000	20,254	26,504	6,250
Sale of fixed assets	-	-	9,000	9,000
Miscellaneous	5,000	1,356	1,289	(67)
Total Revenues	1,962,112	1,895,103	2,058,099	162,996
EXPENDITURES				
Current				
General government:				
Ad valorem tax adjustment	-			
Personnel services	1,890,000	1,736,671	1,725,778	10,893
Supplies and materials	50,000	14,341	33,976	(19,635)
Other services and charges	377,000	238,930	234,589	4,341
Repairs and maintenance	-	-	-	-
Capital expenditures	43,000	79,943	33,401	46,542
Total Expenditures	2,360,000	2,069,885	2,027,743	42,142
Excess of Revenues over Expenditures	(397,888)	(174,782)	30,355	205,137
Fund balance, beginning of year	4,900,927	4,456,210	6,030,880	1,574,670
Fund balance, end of year	\$ 4,503,039	\$ 4,281,428	\$ 6,061,235	\$ 1,779,807

See Independent Auditors' Report.

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SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>
TOTAL OPEB LIABILITY	
Service cost	\$ 248,193
Interest on total OPEB liability	156,670
Difference between expected and actual experience	486,054
Changes in assumptions or other inputs	(216,991)
Benefit payments	<u>(147,638)</u>
Net change in OPEB liability	526,288
Total OPEB liability, beginning	4,379,353
Total OPEB liability, ending	4,905,641
Covered payroll	1,080,163
Total OPEB liability as a percentage of covered payroll	454.16%

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

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SCHEDULE OF THE LAFOURCHE PARISH ASSESSOR'S PROPORIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED DECEMBER 31, 2018 (*)

Year ended December 31,	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered- Employee Payroll	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	2.0557%	\$399,632	\$899,257	44.4402%	95.4600%
2017	2.0060%	\$351,997	\$904,492	38.9165%	95.6100%
2016	1.9355%	\$682,973	\$845,141	80.8117%	90.6800%
2015	1.8221%	\$953,544	\$778,173	122.5362%	85.5700%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**The amounts presented for each year were determined as of the fiscal year end of the plan that occurred within the calendar year.*

LAFOURCHE PARISH ASSESSOR

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SCHEDULE OF THE LAFOURCHE PARISH ASSESSOR'S CONTRIBUTIONS FOR THE YEAR ENDED DECEMBER 31, 2018 (*)

<u>Year ended December 31,</u>	<u>Contractually Required Contribution ¹</u>	<u>Contributions in Relation to Contractually Required Contribution ²</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's ³ Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2018	\$72,918	\$72,918	-	\$899,257	8.11%
2017	\$85,883	\$85,883	-	\$904,492	9.50%
2016	\$114,094	\$114,094	-	\$845,141	13.50%
2015	\$105,053	\$105,053	-	\$778,173	13.50%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

For reference only:

(1) Employer contribution rate multiplied by employer's covered employee payroll

(2) Actual employer contributions remitted to LARF

(3) Employer's covered employee payroll amount for the fiscal year ended December 31, 2016

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NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
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NOTE A - PENSION PLAN SCHEDULES

Changes of Benefit Terms include:

There were no changes of benefit terms during any of the years presented.

Changes of Assumptions:

For the year ended December 31, 2018, the Louisiana Assessor's Retirement Fund lowered its assumption for the investment rate of return (discount rate) from 6.75% to 6.25%. For the year ended December 31, 2017, the Louisiana Assessor's Retirement Fund lowered its assumption for the investment rate of return (discount rate) from 7.00% to 6.75%. There were no changes of assumptions for the year ended December 31, 2016. For the year ended December 31, 2015, the Louisiana Assessor's Retirement Fund lowered its assumption for the investment rate of return (discount rate) from 7.25% to 7.00%. Also in the year ended December 31, 2015, the inflation rate assumption was lowered from 2.75% to 2.50%, and the salary increase assumption was lowered from 6% to 5.75%.

OTHER SUPPLEMENTARY INFORMATION

LAFOURCHE PARISH ASSESSOR

Thibodaux, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD FOR THE YEAR ENDED DECEMBER 31, 2018

Agency Head Name: Wendy L. Thibodeaux, Assessor

Salary	\$ 158,745
Benefits-Insurance	23,144
Benefits-Retirement	12,700
Benefits-Deferred Comp	3,993
Vehicle Provided by Government	690
Cell Phone	88
Travel	272
Registration Fees	860
Conference Travel	1,125
Housing/Lodging	1,278
Meals	216
	<hr/>
Total compensation, benefits, and other payments	<u><u>\$ 203,112</u></u>

**OTHER REPORTS REQUIRED BY
*GOVERNMENTAL AUDITING STANDARDS***



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

Honorable Wendy L. Thibodeaux
Lafourche Parish Assessor
Thibodaux, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the government activities and each major fund of the Lafourche Parish Assessor. (the 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 and have issued our report thereon dated June 28, 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Assessor's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



T.S. Kearns & Co., CPA, PC
Certified Public Accountants
June 28, 2019
Thibodaux, Louisiana

LAFOURCHE PARISH ASSESSOR
Thibodaux, Louisiana
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2018

A. SUMMARY OF AUDIT RESULTS

- a. The independent auditors' report expresses an unmodified opinion on the financial statements of the Lafourche Parish Assessor.
- b. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements were reported in the 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*.
- c. No instances of noncompliance material to the financial statements of the Lafourche Parish Assessor were reported in the 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*.
- d. No management letter was issued for the year ended December 31, 2018.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statements for the year ended December 31, 2018.

C. FINDINGS – COMPLIANCE

There were no findings related to compliance for the year ended December 31, 2018.

LAFOURCHE PARISH ASSESSOR
Thibodaux, Louisiana
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

A. Non Compliance with State Laws and Regulations

2017-001 BUDGET AMENDMENTS

Criteria: LA Revised Statutes require the Assessor to amend its operating budget when: Total actual revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.

Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

Condition: During the year ended December 31, 2017, the general fund met the requirement described in the Louisiana Revised Statutes and the budgets were not amended.

Cause: The Assessor did not monitor the budget to actual statements closely enough during the year.

Effect: The Assessor was out of compliance with state law.

Recommendation: We recommend that the Assessor monitor more closely budget to actual statements during the year to comply with this requirement.

Management's Response: The Assessor concurred with this finding and the recommendations implemented corrective action immediately.

Resolved: Yes



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING THE LOUISIANA LEGISLATIVE AUDITORS'
STATEWIDE AGREED-UPON PROCEDURES

LAFOURCHE PARISH ASSESSOR
Thibodaux, Louisiana

For the Fiscal Period January 1, 2017 through December 31, 2018



(A Professional Corporation)
164 West Main Street, Thibodaux, LA 70301
South end of Canal Boulevard
(985) 447-8507 Fax (985) 447-4833
www.kearnscpa.com



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING THE LOUISIANA LEGISLATIVE AUDITORS' STATEWIDE
AGREED-UPON PROCEDURES

Honorable Wendy L. Thibodeaux
Lafourche Parish Assessor
Thibodaux, Louisiana

We have performed the procedures enumerated below, which were agreed to by Lafourche Parish Assessor and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Entity's management is responsible for those C/C 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 entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):¹
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
Results of SAUP:
Written policies and procedures were obtained and do address the functions noted above.
 - 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.

¹ For governmental organization, the practitioner may eliminate those categories and subcategories that do not apply to the organization's operations. For quasi-public organizations, including non-profits, the practitioner may eliminate those categories and subcategories that do not apply to public funds administered by the quasi-public.

Results of SAUP:

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

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

Results of SAUP:

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

- 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).

Results of SAUP:

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

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

Results of SAUP:

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

- 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

Results of SAUP:

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

- 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)

Results of SAUP:

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

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

Results of SAUP:

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

- i) **Ethics**², including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

² The Louisiana Code of Ethics is generally not applicable to non-profit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a non-profit, the non-profit should have written policies and procedures relating to ethics.

Results of SAUP:

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

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

Results of SAUP:

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

Board or Finance Committee³

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.

Results of SAUP:

The entity does not have a board or finance committee, as the Assessor is an elected official responsible for all oversight of the entity. Therefore; these procedures were not applicable to the entity.

- 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.⁴ *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Results of SAUP:

The entity does not have a board or finance committee, as the Assessor is an elected official responsible for all oversight of the entity. Therefore; these procedures were not applicable to the entity.

- 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.

Results of SAUP:

The entity does not have a board or finance committee, as the Assessor is an elected official responsible for all oversight of the entity. Therefore; these procedures were not applicable to the entity.

³ These procedures are not applicable to entities managed by a single elected official, such as sheriff or assessor.

⁴ Major funds are defined under GASB standards. The related procedure addresses major funds as a way to verify that boards are provided with financial information necessary to make informed decisions about significant entity operations, including proprietary operations that are not required to be budgeted under the LGBA.

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 entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁵ (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:
- 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);

Results of SAUP:

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

Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date. The reconciliations have dates on them. Also, the Assessor initials and dates the envelope containing the reconciliations when reviewed.

- 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

Results of SAUP:

Bank reconciliations examined had evidence of management review. Assessor initials and dates the envelope containing the reconciliations when reviewed.

- 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.

Results of SAUP:

Bank reconciliations have no reconciling items that have been outstanding for more than 12 months from the statement closing date

Collections

4. Obtain a listing of deposit sites⁶ 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).

Results of SAUP:

Obtained listing of deposit sites and management's representation that listing is complete. The only deposit site is the Thibodaux, LA office.

⁵ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

⁶ A deposit site is a physical location where a deposit is prepared and reconciled.

5. For each deposit site selected, obtain a listing of collection locations⁷ 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:

Results of SAUP:

The entity does not receive any cash or money orders. The only collection location is the Thibodaux, LA office. The Assessor opens all incoming mail. Any receipt of funds is forwarded to the Director of Administration who prepares the deposits, inputs the transaction into the receipt of funds report and delivers the deposit to the bank. The Director of Administration forwards a copy of the payment, deposit slip and receipt to the outside CPA to record into the general ledger. The outside CPA reconciles the bank statement.

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

Results of SAUP:

The Assessor's office does not collect any cash or money orders therefore there is no cash drawer.

- 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.

Results of SAUP:

Only the Assessor is responsible for collecting checks who is not responsible for preparing /making bank 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.

Results of SAUP:

Only the Assessor is responsible for collecting checks who is not responsible for posting collection entries to the general ledger or subsidiary ledgers

- 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.

Results of SAUP:

The employee responsible for reconciling checks/money orders collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions is not responsible for collecting checks/money orders.

⁷ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit.

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

Results of SAUP:

No cash or money orders are collected. The Assessor is bonded.

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)⁸. *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

Results of SAUP:

The Assessor's office only receives checks in the mail. Most of the receipts are Ad Valorem taxes from the Sheriff. Therefore it is not necessary to issue receipts

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

Results of SAUP:

No exceptions noted.

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

Results of SAUP:

No exceptions noted.

- 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).

Results of SAUP:

Since all deposits are checks, it is not necessary to make the deposit within one business day. The deposits are made as soon as the Assessor is able to review all checks received. This review is necessary because sometimes taxpayers send property tax checks to the Assessor which need to be returned rather than deposited.

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

Results of SAUP:

No exceptions noted.

⁸ If "bank reconciliations" have been rotated off for Year 2, the practitioner should insert a procedure with the same selection methodology that would have been used for bank reconciliations.

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).

Results of SAUP:

Management represented that the only location is the Thibodaux, LA office.

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:

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

Results of SAUP:

Only the Assessor and the Director of Administration can initiate a purchase and/or place an order. Only the Assessor can approve a purchase. The Director initiates most purchases. The Assessor must approve the request before purchase is made. When the Assessor initiates a purchase the Director will either concur or not concur. However, the Assessor's ability to approve a purchase is not dependent on the concurrence of the Director. This is not an exception because if the Assessor were not allowed to approve the payments it would constrain the legal authority of that public official.

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

Results of SAUP:

Both the Assessor and Director of Administration are involved in all processing and approving payments to vendors

- 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.

Results of SAUP:

Only the Assessor has the final authority to have a payment processed. The Director of Administration periodically reviews the vendor list for unapproved vendors or discontinued vendors.

- 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.

Results of SAUP:

Exception: The checks are mailed by an individual who is also involved in the processing of payments. The Assessor's office has changed the applicable policies so that the person involved in processing payments does not participate in mailing the payments.

10. For each location selected under #8 above, obtain the entity'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:

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

Results of SAUP:

All five disbursements 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.

Results of SAUP:

Exception: The checks are mailed by an individual who is also involved in the processing of payments. The Assessor's office has changed the applicable policies so that the person involved in processing payments does not participate in mailing the payments.

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.

Results of SAUP:

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

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.]]

Results of SAUP:

Only the Assessor has the authority to approve payments. This is not an exception because if the Assessor were not allowed to approve the payments it would constrain the legal authority of that public official.

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

Results of SAUP:

Finance charges and late fees were not assessed.

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,

Results of SAUP:

No exceptions noted.

- (2) written documentation of the business/public purpose, and

Results of SAUP:

No exceptions noted.

- (3) documentation of the individuals participating in meals (for meal charges only).

Results of SAUP:

No exceptions noted.

Travel and Travel-Related Expense Reimbursements⁹ (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).

Results of SAUP:

No exceptions noted.

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

⁹ Non-travel reimbursements are not required to be tested under this category.

Results of SAUP:

No exceptions noted.

- 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).

Results of SAUP:

No exceptions noted.

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

Results of SAUP:

No exceptions noted.

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 Law¹⁰ (e.g., solicited quotes or bids, advertised), if required by law.

Results of SAUP:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- 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).

Results of SAUP:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

¹⁰ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

Results of SAUP:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- 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.

Results of SAUP:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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.

Results of SAUP:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- 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.)

Results of SAUP:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

Results of SAUP:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

Results of SAUP:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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.

Results of SAUP:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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.

Results of SAUP:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

Ethics¹¹

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above¹² 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.

Results of SAUP:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

¹¹ The Louisiana Code of Ethics is generally not applicable to non-profit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a non-profit, the procedures should be performed.

¹² If "payroll and personnel" have been rotated off for Year 2, the practitioner should insert a procedure with the same selection methodology that would have been used for payroll and personnel.

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

Results of SAUP:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

Debt Service¹³

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.

Results of SAUP:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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.

Results of SAUP:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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 entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results of SAUP:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

¹³ This AUP category is generally not applicable to non-profit entities; however, if applicable, the procedures should be performed.

24. Observe that the entity has posted on its premises¹⁴ and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.¹⁵

Results of SAUP:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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 C/C 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 C/C 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.



T.S. Kearns & Co., CPA
Thibodaux, LA 70301
June 28, 2019

¹⁴ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs.

¹⁵ This notice is available for download or print at www.la.la.gov/hotline.