

**SABINE PARISH ASSESSOR
MANY, LOUISIANA
ANNUAL FINANCIAL REPORT**

DECEMBER 31, 2017

Sabine Parish Assessor
Sabine, Louisiana

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Sabine Parish Assessor
Sabine, Louisiana

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SABINE PARISH ASSESSOR

400 S. Capitol Street, Room 106
Many, LA 71449

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of the Sabine Parish Assessor (Assessor) provides an overview and overall review of the Assessor's financial activities for the year ended December 31, 2017. The intent of the MD&A is to look at the Assessor's financial performance as a whole. It should, therefore be read in conjunction with this report.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Assessor as a whole and presents a longer-term view of the Assessor's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. Certain comparative information is presented to provide an overview of the Assessor's operations.

Government-wide Financial Statements

The Statement of Net Position presents all of the Assessor's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Assessor's net position may serve as a useful indicator of whether the financial position of the Assessor is improving or deteriorating.

The Statement of Activities presents information showing how the Assessor's net position changed during the most current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

Governmental Fund Financial Statements. The services provided by the Assessor are financed through a governmental fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Assessor, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Assessor's only governmental fund is the General Fund and is considered a major fund for presentation purposes. These statements provide a short-term view of the Assessor's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Assessor.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2017</u>	<u>2016</u>
ASSETS:		
Current Assets	\$2,435,596	\$2,272,208
Capital assets, net of accumulated depreciation	<u>161,118</u>	<u>219,169</u>
Total Assets	<u>\$2,596,714</u>	<u>\$2,491,377</u>
DEFERRED OUTFLOWS OF RESOURCES:	<u>\$ 152,360</u>	<u>\$ 194,261</u>
LIABILITIES:		
Accounts payable and payroll liabilities	<u>\$ 22,155</u>	<u>\$ 21,887</u>
Long-term Liabilities		
Other post-employment benefits	\$ 710,529	\$ 617,066
Net pension liability	<u>184,789</u>	<u>358,794</u>
Total Long-term Liabilities	<u>\$ 895,318</u>	<u>\$ 975,860</u>
Total Liabilities	<u>\$ 917,473</u>	<u>\$ 997,747</u>
DEFERRED INFLOWS OF RESOURCES:	<u>\$ 129,522</u>	<u>\$ 37,011</u>
NET POSITION:		
Net Investment in Capital Assets	\$ 161,118	\$ 219,169
Unrestricted	<u>1,540,961</u>	<u>1,431,711</u>
Total Net Position	<u>\$1,702,079</u>	<u>\$1,650,880</u>

Summary of Statement of Activities

	<u>2017</u>	<u>2016</u>
REVENUES:		
Charge for Services	\$ <u>6,656</u>	\$ <u>500</u>
General Revenues-		
Property Taxes	\$1,125,936	\$1,108,275
State Revenue Sharing	40,334	39,913
Non-employer Pension Revenue	139,353	185,795
Interest	<u>9,306</u>	<u>7,976</u>
Total General Revenues	<u>\$1,314,929</u>	<u>\$1,341,959</u>
Total Revenues	<u>\$1,321,585</u>	<u>\$1,342,459</u>
EXPENSES:		
Personnel Services	\$1,011,771	\$1,004,974
Operating Services	85,384	86,228
Materials & Supplies	103,222	112,546
Travel & Other	<u>70,009</u>	<u>124,552</u>
Total Expenses	<u>\$1,270,386</u>	<u>\$1,328,300</u>
Change in Net Position	<u>\$ <u>51,199</u></u>	<u>\$ <u>14,159</u></u>

- The Assessor's assets exceeded its liabilities by \$1,702,079 (net position) for the year.
- Unrestricted net position of \$1,540,961 represents the portion available to maintain the Assessor's obligation to both citizens and creditors.

General Fund Budgetary Highlights

The General Fund is the Assessor's operating fund and the source of funds for the day-to-day operations. Actual revenues were \$52,232 more than the budgeted amount and actual expenditures were less than the budgeted amount by \$60,888 for the year.

Economic Factors and Next Year's Budget

The primary revenue source for the Assessor is property taxes. This tax is not subject to changes in the economy, in the short-term. However, in the long-term, significant increases or decreases in the tax base would be evident. The budget for FY 2018 should not change significantly from the FY 2017 budget.

Contacting the Parish Assessor

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Assessor's finances and to show the Assessor's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Assessor at 400 S. Capitol Street, Room 106, Many, LA 71449.

Johnson, Thomas & Cunningham

Certified Public Accountants

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

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - A Professional Corporation
Jessica H. Broadway, CPA - A Professional Corporation
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INDEPENDENT AUDITOR'S REPORT

Sabine Parish Tax Assessor
400 South Capitol Street, Room 106
Sabine Parish Courthouse, Main Floor
Many, Louisiana 71449

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund information of the Sabine Parish Assessor (Assessor), a component unit of the Sabine Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 major fund information of the Assessor as of December 31, 2017, 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 Management's Discussion and Analysis, the Budgetary Comparison Schedules, Schedule of Employer's Share of Net Pension Liability, and Schedule of Employer Contributions as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and 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.

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer listed as required supplementary information in the Table of Contents are presented for purposes of additional analysis and is not a required part of the basic financial statements.

We have applied certain limited procedures to the Management's Discussion and Analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Assessor's financial statements. The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 information is fairly stated in all material respects in relation to the 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 19, 2018, on our consideration of the Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Assessor's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report dated June 19, 2018, on the results of the state wide agreed-upon procedures in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Johnson, Thomas + Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's
Natchitoches, LA 71457

June 19, 2018

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Sabine Parish Assessor
Statement of Net Position
December 31, 2017

	<u>Governmental Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$1,334,513
Revenue Receivable	1,094,788
Prepaid Expenses	<u>6,295</u>
Total Current Assets	\$2,435,596
Non-current Assets-	
Capital Assets (Net)	<u>161,118</u>
Total Assets	\$ <u>2,596,714</u>
DEFERRED OUTFLOWS OF RESOURCES:	\$ <u>152,360</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 13,894
Payroll Liabilities	<u>8,261</u>
Total Current Liabilities	\$ <u>22,155</u>
Non-current Liabilities-	
Other Post-employment Benefits	\$ 710,529
Net Pension Liability	<u>184,789</u>
Total Non-current Liabilities	\$ <u>895,318</u>
Total Liabilities	\$ <u>917,473</u>
DEFERRED INFLOWS OF RESOURCES:	\$ <u>129,522</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 161,118
Unrestricted	<u>1,540,961</u>
Total Net Position	\$ <u>1,702,079</u>

See notes to financial statements.

Sabine Parish Assessor
Statement of Activities
December 31, 2017

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges</u>	<u>Operating Grants</u>	<u>Revenue and Changes</u>
		<u>for</u>	<u>and</u>	<u>in Net Position</u>
		<u>Services</u>	<u>Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
Personnel Services	\$1,011,771	\$6,656	\$0	\$(1,005,115)
Operating Services	85,384	0	0	(85,384)
Materials & Supplies	103,222	0	0	(103,222)
Travel & Other Charges	<u>70,009</u>	<u>0</u>	<u>0</u>	<u>(70,009)</u>
Total Governmental Activities	<u>\$1,270,386</u>	<u>\$6,656</u>	<u>\$0</u>	<u>\$(1,263,730)</u>
General Revenues:				
Taxes:				
Property Taxes				\$ 1,125,936
State Revenue Sharing				40,334
Non-employer Pension Revenue				139,353
Interest Income				<u>9,306</u>
Total General Revenues				<u>\$ 1,314,929</u>
Change in Net Position				\$ 51,199
Net Position January 1, 2017				<u>1,650,880</u>
Net Position December 31, 2017				<u>\$ 1,702,079</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

Sabine Parish Assessor
Balance Sheet-Governmental Fund
December 31, 2017

Assets:

Cash & Cash Equivalents	\$1,334,513
Revenue Receivable	1,094,788
Prepaid Expenses	<u>6,295</u>
Total Assets	<u>\$2,435,596</u>

Liabilities:

Accounts Payable	\$ 13,894
Payroll Liabilities	<u>8,261</u>
Total Liabilities	<u>\$ 22,155</u>

Fund Balance:

Nonspendable- Prepaid Expenses	\$ 6,295
Unassigned	<u>2,407,146</u>
Total Fund Balance	<u>\$2,413,441</u>
Total Liabilities and Fund Balance	<u>\$2,435,596</u>

See notes to financial statements.

Sabine Parish Assessor
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
December 31, 2017

Total Fund Balance for the Governmental Fund
at December 31, 2017 \$2,413,441

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 fund financial statements. Those assets consist of:

Automobiles	\$ 77,702	
Building Improvements	41,468	
Furniture, Fixtures & Equipment	520,898	
Less, Accumulated Depreciation	<u>(478,950)</u>	
		161,118

Deferred Outflows of Resources used in Governmental Activities
are not financial resources and, therefore, are not reported in the
Governmental Fund Balance Sheet- 152,360

Long-term Liabilities are not due and payable in the
current period and, therefore, are not reported
in the Governmental Funds Balance Sheet-

Other Post-employment Benefits	(710,529)
Net Pension Liability	(184,789)

Deferred Inflows of Resources are not due and payable in in
the current period and, therefore, are not reported in the
Governmental Fund Balance Sheet- (129,522)

Total Net Position of Governmental Activities
at December 31, 2017 \$1,702,079

See notes to financial statements.

Sabine Parish Assessor
Statement of Revenues, Expenditures and Changes in Fund Balance-
Governmental Fund
Year Ended December 31, 2017

REVENUES:	
Taxes-	
Property Taxes	\$1,125,936
State Revenue Sharing	40,334
Charges for Services	6,656
Miscellaneous-	
Interest	<u>9,306</u>
Total Revenues	<u>\$1,182,232</u>
EXPENDITURES:	
Current-	
General Government-	
Personnel Services	\$ 818,548
Operating Services	85,384
Materials & Supplies	45,171
Travel & Other Charges	<u>70,009</u>
Total Expenditures	<u>\$1,019,112</u>
Excess of Revenues over Expenditures	\$ 163,120
Fund Balance-Beginning of Year	<u>2,250,321</u>
Fund Balance-End of Year	<u>\$2,413,441</u>

See notes to financial statements.

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

Total Net Change in Fund Balance at December 31, 2017, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$163,120
The Change in Net Position reported for Governmental Activities in the Statement of Activities is different because:	
Depreciation expense is reported in the government-wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental fund. Current year depreciation expense is	(58,051)
Some 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:	
Non-Employer Pension Revenue	139,353
Pension Expense	(99,760)
Other Post-employment Benefits are reported in the Government-wide Statement of Activities, but are not reported in the Fund Financial Statements. Current year Net Pension Obligation is	<u>(93,463)</u>
Total changes in Net Position at December 31, 2017 per Statement of Activities	<u>\$ 51,199</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2017

Introduction:

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

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

1. Summary of Significant Accounting Policies:

The accompanying general purpose financial statements of the Sabine Parish Assessor have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity-

As the governing authority of the parish, for reporting purposes, the Police Jury is the financial reporting entity for Sabine Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2017

2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because of item number 2 above, the Sabine Parish Assessor was determined to be a component unit of the Police Jury, the financial reporting entity. The accompanying financial statements present information only on the fund maintained by the Assessor and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

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

C. Fund Accounting-

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

The Assessor maintains only one fund. It is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2017

The major fund of the Assessor is described below:

Governmental Fund-

General Fund

The General Fund is the general operating fund of the Assessor. It is used to account for all financial resources except those required to be accounted for in another fund.

D. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Assessor as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Assessor considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Assets, Liabilities and Equity-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Assessor.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2017

Capital Assets-

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Assessor maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

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

Furniture, fixtures and equipment	5-10 years
Leasehold Improvements	10-20 years

Compensated Absences-

Employees of the Sabine Parish Assessor do not accrue or "carry forward" any type of leave from year to year. Therefore, no entry is made to record compensated absences.

Pension-

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. See note 8, for more information on the individual retirement system.

Deferred Outflows/Inflows of Resources-

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2017

Equity Classification-

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

- a. 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.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

Sabine Parish Assessor
Notes to Financial Statements
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The General Fund has a nonspendable fund balance of \$6,295 which represents prepaid expense. The remaining fund balance of \$2,407,146 is classified as unassigned. If applicable, the Assessor would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

F. Budget-

Prior to the beginning of each fiscal year, the Sabine Parish Assessor adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

G. Estimates-

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

2. Capital Assets:

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

Governmental Activities	Balance 01-01-17	Increases	Decreases	Balance 12-31-17
Capital Assets:				
Automobiles	\$ 77,702	\$ 0	\$0	\$ 77,702
Building improvements	41,468	0	0	41,468
Furniture, fixtures, equipment	<u>520,898</u>	<u>0</u>	<u>0</u>	<u>520,898</u>
Total	<u>\$640,068</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$640,068</u>
Less: Accumulated Depreciation:				
Automobiles	\$ 57,772	\$ 9,153	\$0	\$ 66,925
Building improvements	15,425	2,548	0	17,973
Furniture, fixtures, equipment	<u>347,702</u>	<u>46,350</u>	<u>0</u>	<u>394,052</u>
Total	<u>\$420,899</u>	<u>\$ 58,051</u>	<u>\$0</u>	<u>\$478,950</u>
Net Capital Assets	<u>\$219,169</u>	<u>\$(58,051)</u>	<u>\$0</u>	<u>\$161,118</u>

Depreciation expense of \$58,051 was charged to the general government function.

Sabine Parish Assessor
Notes to Financial Statements
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3. Expenses Paid by the Police Jury:

Certain expenses of the Assessor's office are paid by the Police Jury. In addition to furnishing the building where the Assessor's office is located, the Police Jury pays all utility bills, most insurance, and furnishes some of the equipment in the Assessor's office.

4. Leases:

The Sabine Parish Assessor was not obligated under any non-cancellable capital or operating lease agreements at December 31, 2017.

5. Ad Valorem Taxes:

The Assessor levies taxes on real and business personal property located within the boundaries of Sabine Parish. Property taxes are levied by the Assessor on property values assessed by the Assessor and approved by the State of Louisiana Tax Commission.

The Sabine Parish Sheriff's office bills and collects property taxes for the Assessor. Collections are remitted to the Assessor monthly. The Assessor recognizes property tax revenues when levied.

Property Tax Calendar

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes are due	December 31
Penalties and interest added	January 31
Lien date	January 31
Tax sale	May 17

The Assessor is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose, or, in the aggregate for all purposes 25% of the assessed valuation for the payment of principal and interest on long-term debt after the approval by the voters of the Parish. Property taxes are recorded as receivables and revenues in the year assessed.

Assessed values are established by the Sabine Parish Tax Assessor each year on a uniform basis at the following ratios to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

Sabine Parish Assessor
Notes to Financial Statements
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A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$208,244,086 in 2017. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$33,890,414 of the assessed value in 2017. For the year ended December 31, 2017, taxes of 6.43 mils were levied on the property. Taxes collected totaled \$1,125,936.

The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Vine Oil & Gas LP	\$10,157,180	4.9%
Chesapeake Operating	8,322,580	4.0%
Indigo Haynesville, LLC	7,481,550	3.6%
GEP Haynesville, LLC	7,260,000	3.5%
Enable Midstream Partners	7,245,666	3.5%

6. Cash and Cash Equivalents:

The cash and cash equivalents of the Assessor are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Assessor will not be able to recover its deposits. 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 or exceed 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Assessor that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Assessor's name.

Interest Rate Risk. This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity is its fair value to changes in market interest rates. The Assessor does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, as a means of offsetting exposure to interest rate risk, the Assessor diversifies its investments by security type and institution.

Sabine Parish Assessor
Notes to Financial Statements
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For reporting purposes, cash and cash equivalents include demand deposits and time deposits. Cash and cash equivalents are stated at cost, which approximates market. At December 31, 2017, the Assessor had cash and cash equivalents (collected bank balances) totaling \$1,347,773, of which \$766,985 was secured by FDIC insurance and the remaining \$580,788 was secured by pledged securities.

7. Receivables:

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used. The following is a summary of receivables at December 31, 2017:

<u>Class of Receivable</u>	<u>General Fund</u>
Ad Valorem Taxes	\$1,094,050
Credit Card Refund	362
Other	23
Interest	<u>353</u>
Total	<u>\$1,094,788</u>

8. Employees Retirement System:

Plan Description

Substantially all employees of the Sabine Parish Assessor's office are members of the Louisiana Assessors Retirement Fund (Fund), a cost-sharing multiple-employer defined benefit pension plan administered by a separate board of Trustees. The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund. The report may be obtained by writing to the Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, LA 70898-4699, or by calling (225) 928-8886.

Benefit Provided

The following is a description of the fund and its benefits and is provided for general information purposes only. Participants should refer to the Plan Agreement for more complete information.

Retirement

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

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2017

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 and survivor annuity.

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

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

Death Benefits

As set forth in R.S. 11:1441, benefits for members who die in service are as follows: 1) If a member of the Fund dies in service with less than 12 years of creditable service and leaves a surviving spouse, their accumulated contributions shall be paid to the surviving spouse. 2) If a member dies and has 12 or more years of creditable service and is not eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the joint and survivorship amounts provided in Option 2 as provided for in R.S. 11:1423, which shall cease upon a subsequent 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 marriage. 4) Benefits set forth in item number 2 above, shall cease upon remarriage and shall resume upon a subsequent divorce or death of a new spouse. The spouse shall be entitled to receive a monthly benefit equal to the amount being received prior to remarriage.

Disability Benefits

The Board of Trustees shall award disability benefits to eligible members who have been officially certified as disabled by the State Medical Disability Board. The disability benefit shall be the lesser of 1) a sum equal to the greater of forty-five percent (45%) of final average compensation or the member's accrued retirement benefit at the time of termination of employment due to disability; or 2) the retirement benefit which would be payable assuming accrued creditable service plus additional accrued service, if any, to the earliest normal retirement age based on final average compensation at the time of termination of employment due to disability.

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

Back-Deferred Retirement Option Plan

In lieu of receiving a normal retirement benefit pursuant to R.S. 11:1421 through 1423, an eligible member of the Fund may elect to retire and have their benefits structured, calculated, and paid as provided in this section. An active, contributing member of the Fund shall be eligible for Back-DROP only if all of the following apply: 1) the member has accrued more service credit than the minimum required for a normal retirement benefit, 2) the member has attained an age that is greater than the minimum required for eligibility, and 3) the member has revoked their participation, if any, in the Deferred Retirement Option Plan pursuant to R.S. 11:1456.2.

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

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

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

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

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2017

Excess Benefit Plan

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

Contributions

According to state statute, plan members are required to contribute 8.0% of their annual covered salary and the employers are required to contribute at an actuarially determined rate each year. For the year ending September 30, 2017, the actual employer contribution rate was 10% of annual covered payroll.

In accordance with state statute, the System receives one-fourth of one percent of the ad valorem taxes assessed in each parish, plus state revenue sharing funds appropriated by the State Legislature. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions were recognized as revenue during the year ended September 30, 2017 and excluded from pension expense.

According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee. Although the direct employer actuarially required contribution for the fiscal year ended September 30, 2017, was 4.75%, the actual employer contribution rate for the fiscal year ended September 30, 2017, was 10%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set one year prior to the year effective.

The Assessor's contractually required composite contribution rate for the year ended December 31, 2017 was 10.0% of annual payroll through September and decreased to 8% for the remainder of the year, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Assessor were \$42,772 for the year ended December 31, 2017.

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

At December 31, 2017, the Assessor reported a liability of \$184,789 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of September 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Assessor's proportion of the Net Pension Liability was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2017, the Assessor's proportion was 1.053%, which was a decrease of .00363% from its proportion measured as of September 30, 2016.

Sabine Parish Assessor
Notes to Financial Statements
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For the year ended December 31, 2017, the Assessor recognized pension expense of \$139,779 plus or minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$(41).

At December 31, 2017, the Assessor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,597	\$ 58,016
Changes in assumption	115,573	0
Net difference between projected and actual earnings on pension plan investments	0	71,506
Changes in employer's proportion of beginning net pension liability	9,592	0
Differences between employer contributions and proportionate share of employer contributions	(1,530)	0
Subsequent Measurement Contributions	8,128	0
Total	\$152,360	\$129,522

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

Year ended December 31:	
2018	\$ 4,567
2019	4,567
2020	4,568
2021	4,568
2022	4,568
Total	\$22,838

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2017

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2017 are as follows:

Valuation Date	September 30, 2017
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation.
Projected Salary Increases	5.75% (2.50% Inflation, 3.25% Merit)
Mortality Rates	The RP 2000 Healthy Annuitant Table (set forward 1 year for males and females) projected to 2030. RP-2000 Employee Table set back 4 years for males and 3 years for females. The RP 2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disabled annuitants.
Expected Remaining Service Lives	6 years

The actuarial assumptions used were set based upon an experience study performed on plan data for the period July 1, 2009 through 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.

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.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2017

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017, are summarized in the following table.

<u>Asset Class</u>	<u>Expected Portfolio 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	6.03%

The long-term expected rate of return selected for this report by the Fund was 7.00%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions and 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 7.00%.

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

The following presents the Assessor's proportionate share of the Net Pension Liability using the discount rate of 7%, as well as what the Assessor's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Employer's proportionate share of net pension liability	\$626,621	\$184,788	\$193,980

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Louisiana Assessors' Retirement Fund and Subsidiary Annual Financial Report at www.la.la.gov.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2017

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$5,271, which is the legally required contribution due at December 31, 2017. This amount is recorded in payroll liabilities.

9. Other Post-Employment Benefits:

Plan Description. The Sabine Parish Assessor contributes to a single-employer defined benefit healthcare plan (“the Retiree Healthcare Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees through the Assessor’s group health insurance plan. Benefit provisions are established by the Sabine Parish Assessor. Employees are entitled to benefits upon reaching age 55 with at least 12 years of credited service. The Retiree Health Plan does not issue a publicly available financial report.

Effective with the year beginning January 1, 2009, the Sabine Parish Assessor implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions* (GASB 45). The statement has been implemented prospectively. Using this method, the OPEB liability relative to past service will be amortized and recognized as an expense over thirty years.

Funding Policy. The Sabine Parish Assessor contributes 100% of the cost of current year premiums for eligible retired employees. For the year ended December 31, 2017, the Sabine Parish Assessor contributed \$16,441 to the plan.

Annual OPEB Cost and Net OPEB Obligation. The Assessor’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The Sabine Parish Assessor has elected to calculate the ARC and related information using the Unit Credit Actuarial Cost Method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Assessor’s annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the Assessor’s net OPEB obligation to the retiree health plan.

Annual required contribution	\$125,693
Interest on net OPEB obligation	24,683
Adjustment to annual required contribution	<u>(40,472)</u>
Annual OPEB cost (expense)	\$109,904
Contributions made	<u>(16,441)</u>
Increase in net OPEB obligation	\$ 93,463
Net OPEB obligation at beginning of year	<u>617,066</u>
Net OPEB obligation at end of year	<u>\$710,529</u>

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2017

The Assessor's estimated annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended December 31, 2017 and the two preceding fiscal years are shown below:

<u>Fiscal Year Ended</u>	<u>Discount Rate</u>	<u>Annual OPEB Cost</u>	<u>% of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2015	4.00%	\$116,274	12.8%	\$518,755
12/31/2016	4.00%	\$113,986	13.8%	\$617,066
12/31/2017	4.00%	\$109,904	15.0%	\$710,529

Funded Status and Funding Progress. As of December 31, 2017, and for the two preceding valuations, the actuarial accrued liability for benefits, the covered payroll (annual payroll of active employees covered by the plan), and ratio of the unfunded actuarial accrued liability to the covered payroll was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Discount Rate</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/15	\$0	4%	\$847,892	\$847,892	0%	\$418,897	202%
12/31/16	\$0	4%	\$847,892	\$847,892	0%	\$474,945	179%
12/31/17	\$0	4%	\$847,892	\$847,892	0%	\$490,320	173%

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

Retirement age for active employees - Based on the historical retirement age for the covered group, active members were assumed to retire at age 55 or the earliest age after that at which they would have at least 12 years of service with the Assessor's office.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2017

Marital status - Marital status of members at the calculation date were assumed to continue throughout retirement.

Mortality - Pre-retirement and post-retirement life expectancies were based on the Sex Distinct RP 2000 Combined Healthy Mortality Table projected to 2017 using Scale AA.

Turnover - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums is 5.5% for pre-65 and 8.4% for post-65 for 2017. Ten years later the expected rate is 6.0% for pre-65 and 5.2% for post-65 for 2027. The expected rate of increase for dental insurance premiums is 4.74% annually.

Health insurance premiums - 2017 age-adjusted health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate - A long-term inflation assumption of 2.50% per annum, compounded annually.

Payroll growth rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

10. Litigation:

The Sabine Parish Assessor is not a party to any litigation seeking damages at December 31, 2017.

11. Subsequent Events:

Management has evaluated events through June 19, 2018, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

Sabine Parish Assessor
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	\$1,077,000	\$1,125,936	\$ 48,936
Charges for Services	5,000	6,656	1,656
Interest	8,000	9,306	1,306
State Revenue Sharing	<u>40,000</u>	<u>40,334</u>	<u>334</u>
Total Revenues	<u>\$1,130,000</u>	<u>\$1,182,232</u>	<u>\$ 52,232</u>
EXPENDITURES:			
Personnel Services	\$ 828,000	\$ 818,548	\$ 9,452
Operating Services	150,000	85,384	64,616
Materials & Supplies	58,000	45,171	12,829
Travel & Statutory	34,000	70,009	(36,009)
Capital Expenditures	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Total Expenditures	<u>\$1,080,000</u>	<u>\$1,019,112</u>	<u>\$ 60,888</u>
Excess of Revenues Over Expenditures	\$ 50,000	\$ 163,120	\$113,120
Fund Balance-Beginning of Year	<u>2,250,321</u>	<u>2,250,321</u>	<u>0</u>
Fund Balance-End of Year	<u>\$2,300,321</u>	<u>\$2,413,441</u>	<u>\$113,120</u>

See independent auditor's report.

Sabine Parish Assessor
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2017

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
2015	1.015744%	\$531,562	\$430,400	(123.50)%	98.99%
2016	1.016784%	\$358,794	\$450,973	(79.56)%	90.68%
2017	1.053096%	\$184,788	\$448,038	(41.24)%	95.61%

See independent auditor's report and notes to financial statements.

Sabine Parish Assessor
Schedule of Employer's Contributions
For the Year Ended December 31, 2017

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$58,104	\$58,104	\$0	\$430,400	13.05%
2016	\$56,825	\$56,825	\$0	\$450,973	12.60%
2017	\$42,772	\$42,772	\$0	\$448,038	9.55%

See independent auditor's report and notes to financial statements.

Sabine Parish Assessor
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2017

Agency Head Name: Cindy Manasco, Assessor

<u>Purpose</u>	<u>Amount</u>
Salary	\$131,797
Statutory Allowance	13,180
Benefits- Retirement	25,371
Benefits- Deferred Comp	11,000
Benefits- Insurance Premiums	21,962
Benefits- Taxable Personal Use of Vehicle	1,150
Benefits- Medicare Taxes	2,432
Entertainment & Meals	680

See independent auditor's report.

SUPPLEMENTARY INFORMATION

Johnson, Thomas & Cunningham

Certified Public Accountants

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

Mark D. Thomas, CPA - A Professional Corporation

Roger M. Cunningham, CPA - A Professional Corporation

Jessica H. Broadway, CPA - A Professional Corporation

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

Sabine Parish Tax Assessor
400 South Capitol Street, Room 106
Sabine Parish Courthouse, Main Floor
Many, Louisiana 71449

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and major fund as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Sabine Parish Assessor's (Assessor) basic financial statements and have issued our report thereon dated June 19, 2018.

Internal Control over Financial Reporting

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

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

Our consideration of internal control 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Johnson, Thomas + Cunningham, CPA's

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

June 19, 2018

Sabine Parish Assessor
Schedule of Audit Results
Year Ended December 31, 2017

I. Summary of Audit Results

1. An unmodified opinion was issued on the financial statements of the Sabine Parish Assessor as of and for the year ended December 31, 2017.
2. The audit did not disclose any material weaknesses in the internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None identified.

III. PRIOR YEAR AUDIT FINDINGS

None identified.

Johnson, Thomas & Cunningham

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

Sabine Parish Tax Assessor
400 South Capitol Street, Room 106
Sabine Parish Courthouse, Main Floor
Many, Louisiana 71449

We have performed the procedures enumerated below, which were specified and agreed to by the Sabine Parish Assessor to assist the agency in complying with the requirements of the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended December 31, 2017. We are required to perform each procedure and report the results, including any exceptions. The Assessor is responsible for internal controls and compliance with laws and regulations relative to the SAUPs and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for your purposes.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accounts and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the Assessor. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and associated findings are enumerated below.

Written Policies and Procedures

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

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

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

- **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.

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

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

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

- **Receipts**, including receiving, recording, and preparing deposits

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

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

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

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

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

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

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

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

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

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

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

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

This section is not applicable to the Assessor.

Board (or Finance Committee, if applicable)

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

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

- Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

The Assessor is an elected official with no board oversight; no meetings or minutes are required.

Bank Reconciliations

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

We were provided with the listing by management.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- Bank reconciliations have been prepared;

The Assessor has three bank accounts. We obtained bank statements and reconciliations for all months in the fiscal period, noting that reconciliations have been prepared for all months, without exception.

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

The bank reconciliations obtained did not contain evidence that management reviewed the bank reconciliations.

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

Not applicable.

Collections

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

Management provided the listing as requested.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

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

Management provided the documentation for the selected locations. Not all employees collecting cash are bonded.

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

Management provided the documentation for the collection location.

- Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Management provided the required documentation for the selected deposits. The Assessor does not have set procedures that allow deposits to be made within one day. We noted that deposits were made within two to forty-eight business days of collection.

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

Collection documentation was obtained and no exceptions were noted.

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

Management provided the written procedures for collections, which addresses the process to determine completeness of collections.

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

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

We obtained the general ledger and sorted for disbursements. We obtained management's representation that the general ledger population was complete.

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

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

All other purchase disbursements selected were initiated using a purchase order system.

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

Each selection showed evidence of approval by a person who did not initiate the purchase, without exception.

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

Appropriate documentation was provided for each applicable selection, with the exception of two payments. Documentation was provided after the fact when requested. It was also noted that payments for purchases are frequently late, incurring unnecessary interest and fees.

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

No exceptions noted.

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

The Assessor is an elected official with no board oversight; therefore, she does have signatory authority and is responsible for initiating or recording purchases.

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

We noted all unused checks are kept in locked drawers.

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

Not applicable – no signature stamps or machines are in use at the Assessor's office.

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

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

Management provided the required listing.

Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

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

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

Monthly statements were obtained and invoices were approved by someone other than the authorized card holder.

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

No finance charges or fees were noted.

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

- For each transaction, we report whether the transaction is supported by:

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

Original receipts were not provided for each transaction selected. Some were provided after the fact when requested.

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

No exceptions noted.

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

No exceptions noted.

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

We noted no exceptions in the selected transactions.

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

We noted no exceptions in the selected transactions.

Travel and Expense Reimbursement

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

We compiled the listing of travel reimbursements from the general ledger. Management represented that the listing was complete. There were no travel reimbursements paid to employees.

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

Policies were obtained. No amounts listed exceed GSA rates.

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

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

Not applicable.

- Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

Not applicable.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

Not applicable.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Not applicable.

- Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Not applicable.

- Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Not applicable.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Management provided the requested listing and representation.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Formal/written contracts were provided to support the agreements.

- Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

No noncompliance noted.

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

We noted no amendment to the contracts selected.

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

No exceptions noted.

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

No exceptions noted.

Payroll and Personnel

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

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

No exceptions noted.

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

Changes made to hourly pay rates/salaries were approved in writing.

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

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

All of the 5 employees selected documented daily attendance and leave.

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

Supervisory approvals were noted on all selections, without exception.

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

We observed the written leave records maintained for all selections, without exception.

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

The termination payment to one employee was made in strict accordance with policy and was approved by management, without exception.

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

We obtained documentation relating to payroll taxes and retirement contributions. We discovered one deferred compensation payment was late.

Ethics (excluding nonprofits)

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

Four of the five randomly selected employees, which were selected for payroll and personnel procedures, completed the required ethics training.

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

Per inquiry of management, there were no alleged ethics violations reported to the Assessor during the fiscal period.

Debt Service (excluding nonprofits)

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

Not applicable – No debt was issued during the fiscal period.

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

The Assessor had no outstanding debt during the fiscal period.

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

The Assessor had no tax millages related to debt service.

Other

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

Per discussion with the Assessor, there were no funds or assets misappropriated during the period.

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

We viewed the notice required by R.S. 24:523.1 posted on the Assessor's premises. The Assessor does not have a website.

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

Not applicable – no exceptions noted.

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 the Statewide Agreed-Upon Procedures. 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.

This report is intended solely for the information and use of Sabine Parish Assessor and the Louisiana Legislative Auditor, and is not intended to be, and should not be, used by anyone other than the specified parties.

Respectfully,

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

June 19, 2018
Natchitoches, Louisiana

Sabine Parish Assessor
Management's Response to Exceptions to
Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2017

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

- Item 4: Management will amend its procedures to require evidence of review of bank reconciliations by management not involved in the transactions associated with the bank account.
- Item 6: Management will implement procedures to ensure that all collections are deposited on a daily basis. Management will consider bonding all employees that collect monies. Management will continue to oversee and monitor the controls in place for collections.
- Item 9: Management will amend its procedures to enforce its policy that payments for purchases aren't made without an approved invoice or receipt. Management will implement procedures to ensure bills are paid on time in order to avoid unnecessary interest and fees.
- Item 16: Management will amend its procedures to enforce its policy that credit card payments aren't made without an approved invoice or receipt for each transaction.
- Item 25: Management will ensure all payroll taxes and retirement contributions are submitted to the applicable agencies by the required deadlines.
- Item 26: Management will ensure that the proper ethics training is obtained by all employees and documented for compliance.