

WASHINGTON PARISH ASSESSOR
Franklinton, Louisiana

Annual Financial Statements
As of and for the Year Ended December 31, 2018

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TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Required Supplemental Information – Part I	
Management's Discussion and Analysis	3
Basic Financial Statements	
<u>Government-Wide Financial Statements:</u>	
Statement of Net Position	7
Statement of Activities	8
<u>Fund Financial Statements:</u>	
Balance Sheet - Governmental Fund	9
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	10
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance	11
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	12
Notes to the Financial Statements	13
Required Supplementary Information – Part II	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual	43

TABLE OF CONTENTS (CONTINUED)

	Page
Schedule of Changes in Total OPEB Liability and Related Ratios	44
Schedule of Employer's Share of Net Pension Liability	45
Schedule of Employer Contributions	46
Schedule Required by State Law LSA RS 24:513A(1)(a)(3)	
Schedule of Compensation, Benefits & Other Payments to Agency Head	47
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 <i>Government Auditing Standards</i>	48
Corrective Action Plan for Current Year Audit Findings	50
Summary Schedule of Prior Audit Findings	51
Independent Accountant's Report on Applying Agreed-Upon Procedures	52

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INDEPENDENT AUDITOR'S REPORT

Honorable James A. Stevenson, Jr.
Washington Parish Assessor
Franklinton, Louisiana

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

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

Change in Accounting Principle

As described in Note 1L to the financial statements, the Washington Parish Assessor adopted new accounting guidance, GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. My opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 3-6, Budgetary Comparison Schedule on page 43, Schedule of Changes in Total OPEB Liability and Related Ratios on page 44, Schedule of Employer's Share of Net Pension Liability on page 45, and Schedule of Employer Contributions on page 46, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Assessor's basic financial statements. The schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute 24:513 A(3), is presented for purposes of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the amounts paid by the Washington Parish Assessor included on the schedule of compensation, benefits, and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 25, 2019, on my consideration of the Washington Parish Assessor's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Washington Parish Assessor's internal control over financial reporting and compliance.



Robert A. Neilson, CPA

Bogalusa, Louisiana
June 25, 2019

REQUIRED SUPPLEMENTARY INFORMATION

PART I

Washington Parish Assessor
Management Discussion & Analysis
December 31, 2018

This section of the annual financial report presents our discussion and analysis of the Assessor's financial performance during the year ended December 31, 2018. Please read it in conjunction with the financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS – GOVERNMENT WIDE

- The Assessor's liabilities exceeded its assets by \$116,056 and assets exceeded liabilities by \$628,909 at December 31, 2018 and 2017, respectively.
- Revenue increased approximately 2.6% primarily due to the rise in interest income.
- Expenses increased approximately 17% primarily due to the increase in the expense related to other post employment benefits and the rise in health care premiums.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Assessor's financial statements. The Assessor's financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information and other supplementary information in addition to the basic financial statements.

Government Wide financial statements. The government wide financial statements are designed to provide readers with a broad overview of the Assessor's finances in a manner similar to private sector business. They present the financial picture of the Assessor from an economic resources measurement focus using the accrual basis of accounting.

The statement of net position presents information on all the Assessor's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Assets and deferred outflows of resources less liabilities and deferred inflows of resources equal net position. Increases or decreases in 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 net position changed during the fiscal year using full accrual basis accounting. All revenues and expenses are reported in this statement regardless of when cash is received or paid.

Fund financial statements. 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

Washington Parish Assessor
Management Discussion & Analysis
December 31, 2018

to ensure and demonstrate compliance with finance-related legal requirements. The Assessor has one type of fund.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The governmental fund statements provide a short-term view of the Assessor's general government operations. The Assessor uses one governmental fund, the general fund, to account for its operations.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT WIDE FINANCIAL ANALYSIS

The Assessor's net position at December 31, 2018 and 2017 are summarized below.

	<u>2018</u>	<u>2017</u>
Current Assets	\$1,829,543	\$1,728,501
Capital Assets (net)	<u>35,913</u>	<u>35,999</u>
Total Assets	<u>1,865,456</u>	<u>1,764,500</u>
Deferred Outflows of Resources	<u>\$1,155,713</u>	<u>\$ 174,206</u>
Current Liabilities	8,343	5,562
Long Term Liabilities	<u>2,879,088</u>	<u>1,154,906</u>
Total Liabilities	<u>2,887,431</u>	<u>1,160,468</u>
Deferred Inflows of Resources	<u>\$ 249,794</u>	<u>\$ 149,329</u>
Investment in Capital Assets	35,913	35,999
Unrestricted	<u>(151,969)</u>	<u>592,910</u>
Total Net Position	<u>\$ (116,056)</u>	<u>\$ 628,909</u>

Receivables represent 50% of total assets at December 31, 2018 and 2017, respectively. Capital assets, net of accumulated depreciation are 2% of total assets at December 31, 2018 and 2017, respectively. Capital assets are non-liquid assets and cannot be utilized to satisfy the Assessor's obligations.

Governmental activities decreased net position by \$151,447 and increased by \$24,350 in the years ended December 31, 2018 and 2017, respectively. A condensed Statement of Activities is presented below.

Washington Parish Assessor
Management Discussion & Analysis
December 31, 2018

	<u>2018</u>	<u>2017</u>
<u>Revenues:</u>		
Property Taxes	\$996,302	\$986,563
Other Revenues	<u>264,867</u>	<u>244,393</u>
Total Revenues	1,261,169	1,230,956
<u>Expenses:</u>		
Salaries and related benefits	1,242,214	1,011,359
Other expenses	<u>170,403</u>	<u>195,247</u>
Total expenses	<u>1,412,617</u>	<u>1,206,606</u>
Change in net position	(151,448)	24,350
Net position-beginning	628,909	604,559
<i>Restatement of Prior Year Balances</i>	<u>(593,517)</u>	<u>0</u>
Net position- ending	<u>\$ (116,056)</u>	<u>\$ 628,909</u>

Property taxes are approximately 79% and 80% of total revenues in 2018 and 2017.

Salaries and related benefits are approximately 87% and 84% of total expenses in 2018 and 2017, respectively.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The general government functions are reported in the general fund. The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. The unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The fund balance of the general fund increased by \$98,650 and \$89,871 in 2018 and 2017, respectively. At December 31, 2018, the total fund balance of \$1,778,279 was unassigned.

Total revenues reported in the governmental fund are \$154,088 less than total revenues reported in the government-wide statement of activities mainly due to the recognition of unrestricted contributions in 2018. The difference of \$404,185 between the general fund and government wide expenditures in 2018 are in the reporting of capital expenditures, depreciation, other post employment benefits and pension expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budget was prepared in accordance with the provisions of the Local Government Budget Act. The budget was not amended in 2018.

Washington Parish Assessor
Management Discussion & Analysis
December 31, 2018

The following are significant variations between the budget and actual amounts.

1. Actual revenues and other financing sources were greater than budgeted total revenues and other financing sources by \$61,669.
2. Total actual expenditures were less than total budgeted expenditures by \$36,981.

CAPITAL ASSETS

The following summarizes the Assessor's investment in capital assets at December 31, 2018 and 2017.

	<u>2018</u>	<u>2017</u>
Capital Assets	\$365,907	\$354,071
Less: Accumulated Depreciation	<u>(329,994)</u>	<u>(318,072)</u>
Capital Assets, Net	<u>\$35,913</u>	<u>\$35,999</u>

The assessor purchased \$11,838 worth of assets in 2018, consisting of new computers, an ice machine, and file cabinet.

LONG-TERM LIABILITIES

The OPEB obligation increased \$1,700,304 due to the restatement of prior period balances and implementation of GASB 75, and the net pension liability increased \$23,879 in 2018.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The primary source of revenue for the Washington Parish Assessor's office is based on a proportionate share of the taxes levied by the various taxing bodies of the parish. In the short-term, this type of tax is not subject to the changes in the economy. However, in the long-term, significant increases/decreases in the tax base would be evident. The value in the parish's taxable property increased in 2018. The continued rising of health insurance premiums and implementation of new GASB pronouncements continue to cause a negative impact on the Assessor's financials.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Assessor's finances and to demonstrate the Assessor's accountability for the money it receives. If you have questions about this report or need additional information, contact James A. Stevenson, Jr., Assessor, 908 Washington Street, Franklinton, LA 70438.

BASIC FINANCIAL STATEMENTS

Washington Parish Assessor
Statement of Net Position
December 31, 2018

	Governmental Activities
ASSETS	
Cash & Cash Equivalents	\$ 185,580
Investment	698,164
Receivables	945,799
Capital assets (net)	35,913
Total Assets	\$ 1,865,456
DEFERRED OUTFLOWS OF RESOURCES	\$ 1,155,713
LIABILITIES	
Accounts Payable	\$ 7,014
Payroll Taxes Payable	1,329
Long Term Liabilities	
OPEB Obligation	2,659,746
Net Pension Liability	219,342
Total Liabilities	\$ 2,887,431
DEFERRED INFLOWS OF RESOURCES	\$ 249,794
NET POSITION	
Investment in capital assets, net of related debt	\$ 35,913
Unrestricted	(151,969)
Total Net Position	\$ (116,056)

Washington Parish Assessor
Statement of Activities
For the Year Ended December 31, 2018

	<u>Expenses</u>	<u>Program Revenues</u> Charges for Services	<u>Net (Expenses) Revenues and Changes in Net Position Governmental Activities</u>
Governmental Activities:			
General Government	\$ 1,412,617	\$ 87,690	\$ (1,324,927)
			<u>General Revenues</u>
			Taxes- Ad Valorem taxes, levied for general purposes 996,302
			Interest 19,810
			Miscellaneous 4,977
			Unrestricted Contributions <u>152,390</u>
			Total General Revenues <u>1,173,479</u>
			Change in Net Position (151,448)
			Net Position- Beginning 628,909
			<i>Restatement of Prior Year Balances- GASB 75 (see Note 1L)</i> <u>(593,517)</u>
			Net Position- Ending <u><u>\$ (116,056)</u></u>

Washington Parish Assessor
Balance Sheet
Governmental Fund
December 31, 2018

ASSETS	
Cash & Cash Equivalents	\$ 185,580
Investment	698,164
Receivables	<u>945,799</u>
Total Assets	<u><u>\$ 1,829,543</u></u>
Deferred Outflows of Resources	<u>\$ -</u>
LIABILITIES	
Accounts Payable	\$ 7,014
Payroll Taxes Payable	<u>1,329</u>
Total Liabilities	<u>8,343</u>
Deferred Inflows of Resources	<u>\$ 42,921</u>
FUND BALANCE	
Unassigned	\$ 1,778,279
Total Fund Balance	<u><u>\$ 1,778,279</u></u>
Total Liabilities & Fund Balances	<u><u>\$ 1,829,543</u></u>

Washington Parish Assessor
 Reconciliation of the Governmental Fund Balance Sheet
 to the Statement of Net Position
 December 31, 2018

Fund Balances- Governmental Fund \$ 1,778,279

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund:

Governmental Capital Assets	365,910	
Accumulated Depreciation	<u>(329,997)</u>	35,913

The deferred outflow s of expenditures for the Assessor's Retirement Funds and Other Post Employment Benefits are not a use of current resources, and therefore, are not reported in the fund financial statements. Deferred outflow s of resources at year end are:

Deferred Outflow s related to pensions	325,760	
Deferred Outflow s related to OPEB obligations	<u>829,953</u>	1,155,713

Long Term Liabilities are not due and payable in the current year and, therefore, are not reported in the governmental fund:

OPEB Obligation	(2,659,746)	
Net Pension Liability	<u>(219,342)</u>	(2,879,088)

The deferred inflow s of contributions for the Assessor's Retirement Funds and Other Post Employment Benefits are not a use of current resources, and therefore, are not reported in the fund financial statements. Deferred inflow s of resources at year end are:

Deferred Inflow s related to pensions	(220,447)	
Deferred Inflow s related to OPEB Obligations	<u>(29,347)</u>	(249,794)

Certain revenues will be collected after year-end but are not available to pay current period expenditures and, therefore, are deferred in the fund.

42,921

Net Position of Governmental Activities \$ (116,056)

Washington Parish Assessor
Statement of Governmental Fund Revenues,
Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2018

Revenues	
Property Taxes	\$ 996,790
State revenue sharing	65,773
Interest Income	19,810
Other Revenues	<u>26,796</u>
Total Revenues	<u>1,109,169</u>
Expenditures	
Salaries and Related Benefits	840,200
Materials and Supplies	11,342
Operating Services	142,395
Travel	4,744
Capital Expenditures	<u>11,838</u>
Total Expenditures	<u>1,010,519</u>
Excess Revenues Over Expenditures	<u>98,650</u>
Fund Balance at Beginning of Year	<u>1,679,629</u>
Fund Balance at End of Year	<u><u>\$ 1,778,279</u></u>

Washington Parish Assessor
 Reconciliation of the Governmental Fund Statement of Revenues,
 Expenditures, and Changes in Fund Balance to the Statement of Activities
 For the Year Ended December 31, 2018

Net Change in Governmental Fund Balance \$ 98,650

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives:

Capital Outlay	11,838	
Depreciation Expense	<u>(11,924)</u>	(86)

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 the governmental funds:

OPEB Expense	(364,626)	
Assessor's Portion of Retiree Insurance	58,446	
Pension Expense	<u>(95,832)</u>	(402,012)

Non Employer Contributions received from the Assessor's Retirement Fund are reported in the statement of activities but not in the revenues of the governmental funds. 152,390

Change in Deferred Revenue (390)

Change in Net Position of Governmental Activities \$ (151,448)

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

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 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 pecuniary responsible for the actions of the deputies.

The Assessor's office is located in the Washington Parish Courthouse in Franklinton, Louisiana. The Assessor employs nine employees including eight deputies. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and to 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.

At December 31, 2018 there are 28,656 real property and 1,220 movable property assessments totaling \$185,315,930 and \$63,148,310, respectively. This represents an increase of 246 real property assessments and a decrease of \$2,683,730 in assessed value of real property over the prior year caused primarily due to a decrease in public service projects. There was a decrease of 10 personal property assessments and an increase of \$4,379,610 in assessed value from the prior year caused primarily by purchases of new machinery & equipment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Washington Parish Assessor have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. REPORTING ENTITY

The assessor is an independently elected official. The Washington Parish Government has determined that the Assessor is not a component unit of Parish Government utilizing criteria established by GASB Statement 14.

The accompanying financial statements present information only on the funds maintained by the assessor and do not present information on the Washington Parish Government, the general government services provided by that governmental unit, or the other governmental units that compromise the financial reporting entity.

C. FUND ACCOUNTING

The assessor uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain tax assessment functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all of the assessor's general activities. These funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the assessor.

The general fund is the primary operating fund of the assessor and it accounts for all financial resources, except those required to be accounted for in other funds. The general fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the assessor's policy.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the general fund on pages 9 and 11 are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

Fund Financial Statements (FFS) (continued)

other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the assessor's operations.

The amounts reflected in the general fund on pages 9 and 11 use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become 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 they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. The taxes are recognized as revenue in the year they are assessed, and generally are collected in December of the current year and January and February of the ensuing year. Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. State revenue sharing is appropriated by the legislature at the end of the calendar year and is recorded in the year of appropriation. Other revenues are recorded in the period received due to the nature of the transactions.

Deferred Inflows of Resources

Deferred revenue are those revenues that are measurable but not yet available, under the modified accrual basis of accounting. Accordingly, they are not recorded as revenue. The balance sheet records the receivable, but includes deferred revenue as its offset. The Assessor recognized deferred inflows of resources for tax revenue not collected within 60 days of the end of the current fiscal period in the amount of \$42,921.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

Government-Wide Financial Statements (GWFS)

The Statement of Net Position on page 7 and the Statement of Activities on page 8 display information about the assessor as a whole. These statements include all the financial activities of the assessor.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long term assets and receivables as well as long term obligations. Net position are reported in three parts; invested in capital assets, net of any related debt, restricted net position; and unrestricted net position. The Assessor first uses restricted resources to finance qualifying activities.

The government wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Program Revenues included in the Statement of Activities are derived directly from parties outside the assessor's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the assessor's general revenues.

The Assessor reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

E. BUDGETS

The Washington Parish Assessor adopts an annual budget for the General Fund on the modified accrual basis of accounting for revenues and expenditures. The original proposed budget for 2018 was published in the official journal and made available for public inspection on November 9, 2017. The public hearing for the proposed budget was held on December 11, 2017 and the budget was adopted on December 11, 2017. Formal budget integration is not employed as a management control device during the year. All appropriations lapse at year end. The assessor reserves all authority to make changes to the budget. There were no amendments to the original budget in 2018.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits and amounts on deposit with the Louisiana Asset Management Pool. Cash equivalents include amounts in time deposits. Under state law, the assessor may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. CAPITAL ASSETS

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 \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and depreciation on capital assets is recorded in the Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description:</u>	<u>Estimated Lives:</u>
Building Improvements	25 years
Furniture & Equipment	5-20 years
Vehicles	5 years

H. COMPENSATED ABSENCES

All employees of the assessor's office earn from five to twenty days of vacation leave each year, depending on the length of service. Vacation leave must be taken during the year earned. However, upon resignation or retirement, employees are paid for unused vacation leave earned during the year. Employees will not be paid for unused vacation if terminated.

All full-time employees earn 12 days of sick leave each year. A total of 45 days of sick leave can be accumulated. All accumulated sick leave lapses upon termination. There were no accumulated and vested leave benefits required to be reported in accordance with GASB Statement No. 16 at December 31, 2018.

I. NET POSITION IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

For the government-wide statement of net position, the net position amount is classified and displayed in three components:

- Net Investment in Capital Assets – This component consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

I. NET POSITION IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)

- by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.
- **Restricted net position** – This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws, regulations, of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** – This component consists of all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

When both restricted and unrestricted resources are available for uses, it is the government’s policy to use restricted resources first, then unrestricted resources as needed.

J. FUND BALANCE

In the governmental fund financial statements, fund balances may be classified as follows:

- **Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** – Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.
- **Committed** – Amounts that can be used only for specific purposes determined by a formal action by the Assessor.
- **Assigned** – Amounts that are designated by the Assessor for a specific purpose but are neither restricted nor committed.
- **Unassigned** – All amounts not included in other spendable classifications.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Assessor uses restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the policy of the Assessor to reduce committed amounts first, followed by assigned amounts and then unassigned amounts.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

K. ESTIMATES

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

L. CURRENT YEAR ADOPTION OF NEW ACCOUNTING STANDARDS

The GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in June 2015. This Statement addresses accounting and financial reporting issues for OPEB that is provided to the employees of state and local governmental employees. This Statement sets standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The Washington Parish Assessor has implemented GASB 75 for the year ended December 31, 2018. The implementation addressed required disclosures as shown in Note 9 and the schedule of funding progress on page 44 as part of the required supplementary information. The implementation of this standard required a restatement of net position as shown below:

Total Net Position at December 31, 2017, as previously stated	\$628,909
Net Change in OPEB at December 31, 2018	<u>(593,517)</u>
Total Net Position at December 31, 2018, Restated	<u>\$35,392</u>

The GASB issued Statement No. 85, *Omnibus 2017*, in March 2017. The Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The only area in which this Statement affected the Clerk's office was in postemployment benefits, specifically related to OPEB. Those effects can be found in the previous paragraph resulting from the implementation of GASB 75.

M. PENSION PLANS

The Washington Parish Assessor's Office is a participating employer in a cost-sharing, multiple employer defined benefit plan as described in Note 7. 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 each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

N. OPEB PLAN

The Assessor's defined benefit post-employment health care plan provides OPEB to eligible retired employees. The plan provides OPEB for permanent full time employees of the Assessor. The Assessor's OPEB plan is a multi-employer defined benefit OPEB plan. Benefits are provided through the Louisiana Assessors' Retirement Fund. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The authority to establish and/or amend the obligation of the employer, employees, and retirees rests with the Assessor.

2. LEVIED TAXES

The Washington Parish Assessor is authorized to levy up to 5.37 mills in ad valorem taxes. A 5.37 mill ad valorem tax was levied for the year ended December 31, 2018. The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Temple Inland	Paper mill	\$31,303,290	12.6%
Florida Gas Transmission	Pipeline	\$ 9,316,510	3.7%
Entergy Louisiana	Utility	<u>\$ 8,423,690</u>	<u>3.4%</u>
TOTAL:		<u>\$49,043,490</u>	<u>19.7%</u>

The total assessed valuation for all taxpayers at December 31, 2018 was \$248,464,240. This figure was used in calculating the percentage of the "assessed valuation of each of the largest taxpayers" to the "total assessed valuation for all taxpayers".

3. CASH AND CASH EQUIVALENTS

At December 31, 2018, the assessor had cash and cash equivalents totaling \$185,580 as follows:

Demand deposits	\$31,487
Time deposits	<u>154,093</u>
Total	<u>\$185,580</u>

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

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

3. CASH AND CASH EQUIVALENTS (continued)

mutually acceptable to both parties.

At December 31, 2018 the assessor had \$202,759 in deposits (collected bank balances). The bank deposits are secured from risk by federal deposit insurance.

4. INVESTMENTS

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA – R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is \$1,842,142,045 (from LAMP's monthly Statement of Net Assets) as of December 31, 2018.
- Foreign currency risk: Not applicable.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

4. INVESTMENTS (continued)

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

If you have any questions, please feel free to contact the LAMP administrative office at 1-800-249-5267.

5. RECEIVABLES

The receivables of \$945,799 at December 31, 2018 are as follows:

Class of Receivable

Ad valorem taxes	\$ 902,252
State revenue sharing	<u>43,547</u>
Total	<u>\$945,799</u>

Ad valorem taxes receivable are recorded net of any estimated uncollectible amount.

6. CAPITAL ASSETS

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

	<u>Building Improvements</u>	<u>Furniture & Equipment</u>	<u>Vehicles</u>	<u>TOTAL</u>
Capital Assets 12/31/17	\$61,314	\$274,235	\$18,523	\$354,072
Additions		11,838		11,838
Deletions				
Capital Assets 12/31/18	<u>61,314</u>	<u>286,073</u>	<u>18,523</u>	<u>365,910</u>
Accumulated Depreciation 12/31/17	44,192	259,988	13,893	318,073
Additions	2,025	6,194	3,705	11,924
Deletions				
Accumulated Depreciation 12/31/18	<u>46,217</u>	<u>266,182</u>	<u>17,598</u>	<u>329,997</u>
Capital Assets, Net of Accumulated Depreciation, 12/31/18	<u>\$15,097</u>	<u>\$19,891</u>	<u>\$925</u>	<u>\$35,913</u>

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

6. CAPITAL ASSETS (continued)

Capital assets on the statement of position include \$11,838 of new additions. For the year ended December 31, 2018, depreciation expense was \$11,923.

7. PENSION PLAN

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

Summary of Significant Accounting Policies

The Fund prepares its employer schedules in accordance with Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and outflows.

The Fund's employer schedules were prepared using the accrual basis of accounting. Employer contributions, on which the employer allocations are based, are recognized in the period in which the employee is compensated for services performed.

Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the Fund's collective net pension liability. The Fund's plan fiduciary net position was determined using the accrual basis of accounting. The Fund's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates and assumptions primarily relate to actuarial evaluations or unsettled transactions and events as of the date of the financial statements and estimates in the determination of the fair market value of the Fund's investments. Accordingly, actual results may differ from estimated amounts.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

7. PENSION PLAN (continued)

Plan Description

A. Pension Benefits

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

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

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

7. PENSION PLAN (continued)

B. Death Benefits

As set forth in R.S. 11:1441, benefits for members who die in service are as follows:

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

C. Disability Benefits

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

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

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

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

7. PENSION PLAN (continued)

D. Back-Deferred Retirement Option Plan (Back-DROP)

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

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

1. The member has accrued more service credit than the minimum required for eligibility for a normal retirement benefit.
2. The member has attained an age that is greater than the minimum required for eligibility for a normal retirement benefit, if applicable.
3. The member has revoked their participation, if any, in the Deferred Retirement Option Plan pursuant to R.S. 11:1456.2.

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

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

1. Creditable service shall not include service credit reciprocally recognized pursuant to R.S. 11:142.
2. Accrued service at retirement shall be reduced by the Back-DROP.
3. Final average compensation shall be calculated by excluding all earnings during the Back-DROP period.
4. Contributions received by the Fund during the Back-DROP period and any interest that has accrued on employer and employee contributions received during the period shall remain with the Fund and shall not be refunded to the employee or to the employer.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

7. PENSION PLAN (continued)

D. Back-Deferred Retirement Option Plan (Back-DROP) (continued)

5. The member's Back-DROP monthly benefit shall be calculated based upon the member's age and service and the Fund provisions in effect on the last day of creditable service before the Back DROP period.
6. At retirement, the member's maximum monthly retirement benefit payable as a life annuity shall be equal to the Back-DROP monthly benefit.
7. The member may elect to receive a reduced monthly benefit in accordance with the options provided in R.S. 11:1423 based upon the member's age and the age of the member's beneficiary as of the actual effective date of retirement. No change in the option selected or beneficiary shall be permitted after the option is filed with the Board of Trustees.

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

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

E. Excess Benefit Plan

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

Contributions

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

Administrative costs of the Fund are financed through employer contributions. According to state statute, contributions for all employers are actuarially determined each year. The actuarially-determined employer contribution rate was 5/24% and 4.69% for the years ended September 30, 2018 and 2017, respectively. The actual employer contribution rate was 8%

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

7. PENSION PLAN (continued)

Contributions (continued)

and 10% of members' earnings for the years ended September 30, 2018 and 2017, respectively.

The fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state, as well as a state revenue sharing appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee.

Schedule of Employer Allocations

The schedule of employer allocations reports the employer contributions in addition to the employer allocation percentage. The employer contributions are used to determine the proportionate relationship of each employer to all employers of Louisiana Assessors' Retirement Fund and Subsidiary. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's contribution effort to the plan for the current fiscal year as compared to the total of all employers' contribution effort to the plan for the current fiscal year. The employers' contribution effort was based on actual employer contributions made to the Retirement Fund for the fiscal year ended September 30, 2018.

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

At December 31, 2018, the Assessor reported a liability of \$219,342 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2018 and the total pension liability used to calculate the net pension liability as determined by an actuarial valuation as of that date. The Assessor's proportion of the net pension liability was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2018, the Assessor's proportion was 1.12827%, which was an increase of 0.01433% from its proportion measured as of September 30, 2017.

For the year ended December 31, 2018, the Assessor recognized pension expense of \$39,822 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was \$95,584. The total pension expense for the Assessor for the year ended December 31, 2018 was \$135,406.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

7. PENSION PLAN (continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions (continued)**

At December 30, 2018, the Assessor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Difference between expected and actual experience	\$16,549	\$100,420
Change in assumptions	281,462	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	17,794	7,857
Net differences between projected and actual earnings on plan investments	-	111,673
Contributions subsequent to the measurement date	9,956	-
TOTAL	<u>\$325,761</u>	<u>\$219,950</u>

Deferred outflows of resources of \$9,956 related to pensions resulting from the Assessor's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 30,</u>	
2019	\$13,447
2020	13,447
2021	13,447
2022	28,572
2023	<u>26,942</u>
	<u>\$95,855</u>

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

7. PENSION PLAN (continued)

Schedule of Pension Amounts by Employer

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocations.

Actuarial Methods and Assumptions

Net Pension Liability

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the Fund's participating employers are as follows:

Total pension liability	\$427,882,294
Plan fiduciary net position	<u>408,441,921</u>
Net Pension Liability	<u>\$ 19,440,373</u>
Plan Fiduciary net position as a percentage of total pension liability	95.46%

Actuarial Methods and Assumptions

The current year actuarial assumptions utilized for this report are based on the assumptions used in the September 30, 2018 actuarial funding valuation, which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, unless otherwise specified in this report. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience. All assumptions selected were determined to be reasonable and represent expectations of future experience for the Fund.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

7. PENSION PLAN (continued)

Actuarial Methods and Assumptions (continued)

Additional information on the actuarial methods and assumptions used as of September 30, 2017 actuarial valuation follows:

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return (discount rate)	6.25%, net position plan investment expense, including inflation
Inflation Rate	2.20%
Salary Increases	5.75%
Annuitant and beneficiary mortality	RP-2000 Healthy Annuitant Table set forward one year and projected to 2030 for males and females
Active Members Mortality	RP-2000 Employee Table set back four years for males and three years for females
Disabled Lives Mortality	RP-2000 Disabled Lives Mortality Tables set back five years for males and three years for females

Discount Rate

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018, are summarized in the following table:

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

7. PENSION PLAN (continued)

Discount Rate (continued)

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real estate	4.50%
Alternative Assets	6.24%

The long-term expected rate of return selected for this report by the Fund was 6.25%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions and the other assumptions and methods as specified in this report, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Thus, the discount rate used to measure the total pension liability was 6.25%.

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

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

7. PENSION PLAN (continued)

Sensitivity to Changes in Discount Rate

The following presents the net pension liability calculated using the discount rate of 6.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.25%) or one percentage point higher (7.25%) than the current discount rate (assuming all other assumptions remain unchanged):

Net Pension Liability	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Plan	\$65,386,240	\$19,440,373	\$(19,922,053)
Assessor	\$737,735	\$219,342	\$(224,775)

Change in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2018 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

The difference between expected and actual experience resulted in a deferred outflow of resources in the amount of \$16,549 and a deferred inflow of resources in the amount of \$100,420 for the year ended December 31, 2018.

Differences between Projected and Actual Investment Earnings

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

The difference between projected and actual investment earnings resulted in a deferred inflow of resources in the amount of \$111,673 for the year ended December 31, 2018.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

7. PENSION PLAN (continued)

Change in Net Pension Liability (continued)

Changes of Assumptions or Other Inputs

Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$281,462 for the year ended December 31, 2018.

Changes in Proportion

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

Changes in proportion resulted in a deferred outflow of resources of \$27,750 and deferred inflow of resources in the amount of \$7,857 for the year ended December 31, 2018.

Contributions - Proportionate Share

Differences between contributions remitted to the Fund and the employer's proportionate share are recognized in pension expense (benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of pension amounts by employer due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

Retirement Fund Audit Report

The Louisiana Assessors' Retirement Fund and Subsidiary has issued a stand-alone audit report on their financial statements for the year ended September 30, 2018. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov, or by contacting the Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

8. DEFERRED COMPENSATION PLAN

The Assessor offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457, which is a type of defined contribution plan. The plan is administered by the Louisiana Deferred Compensation Commission. The plan, available to all full-time employees of the assessor, permits them to defer a portion of their salary until future years.

All amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by Great West Life & Annuity Insurance Co. for the exclusive benefit of the participants and their beneficiaries.

Participants may contribute up to 100% of their salary with the assessor matching up to 9% of compensation. Maximum annual contributions for participants under age 50 and for participants age 50 and older may not exceed \$18,000 and \$36,000 respectively. All contributions are immediately vested. The assessor contributed \$39,229 to the plan during the year ended December 31, 2018.

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

Continuing health care and life insurance benefits are provided for those retired employees who have reached normal retirement age while employed by the Assessor. The plan is a cost sharing, multiple employer defined benefit health care plan administered by the Insurance Committee of the Assessor's Insurance Fund dba Louisiana Assessor's Association. The Insurance Committee of the Assessor's Insurance Fund has the authority to establish and amend the benefit provisions of the plan. The plan issued a publicly available financial report. The report can be obtained through the Louisiana Legislative Auditor's website. Effective with the year ending December 31, 2018, the Washington Parish Assessor implemented Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. No assets are accumulated in a trust that meets the criteria of paragraph 4 of Statement No. 75.

Benefits Provided

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

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Relationship Between Valuation Date, Measurement Date, and Reporting Date

The Valuation Date is January 1, 2018. This is the date as of which the actuarial valuation is performed. The Measurement Date is December 31, 2018. This is the date as of which the total OPEB liability is determined. The reporting date is December 31, 2018. This is the plan's and/or employer's fiscal year ending date.

Significant Changes

There have been no significant changes between the valuation date and fiscal year end.

Participant Data as of January 1, 2018

Actives	9
Retirees	10
Beneficiaries	1
Spouses of Retirees	<u>2</u>
TOTAL	<u>22</u>

Total OPEB Liability

The Assessor's total OPEB Liability of \$2,659,746 was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date.

Actuarial Assumptions & Other Inputs

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. Under this method, a projected retirement benefit at assumed retirement age is computed for each participant using anticipated future pay increases. The normal cost for each participant is computed as the level percentage of pay, which is paid from each participant's date of employment by the employer or any predecessor employer (thus, entry age) to his assumed retirement date, would accumulate with interest at the rate assumed in the valuation to an amount sufficient to fund his projected retirement benefit. The normal cost of the plan is the total of the individually computed normal costs for all participants including the costs for any death or disability benefits under the plan.

The accrued liability at any point in time for an active participant is the theoretical fund that would have been accumulated on his behalf from his normal cost payments and the earnings thereon for all prior years if the plan had always been in effect. For persons receiving benefits or entitled to a deferred vested retirement income, the accrued liability

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Actuarial Assumptions & Other Inputs (continued)

cost is equal to the present value of their future benefit payments. The accrued liability for the plan is the total of the individually computed accrued liability for all participants. The unfunded accrued liability for the plan is the excess of the accrued liability over the assets which have been accumulated for the plan.

It should be noted that the accrued liability as of any date is not the actuarially computed present value of accrued or accumulated plan benefits as of that date. The accrued liability is the portion of the ultimate cost assigned to prior years by the cost method being used.

In addition to the actuarial method used, actuarial cost estimates depend to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment, and retirement rates. In the current valuation, the actuarial assumptions used for the calculation of costs and liabilities are as follows:

Other Key Actuarial Assumptions:

The plan has not had a formal actuarial experience study performed.

Valuation Date:

January 1, 2019

Measurement Date:

Benefit liabilities are valued as of December 31, 2018.

Discount Rate:

4.10% per annum, compounded annually.

4.10% 20 Year Tax Exempt Municipal Bond Yield

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

Mortality Rates:

Healthy Retirement: Sex Distinct RP-2014 Total Dataset Mortality with separate employee, healthy annuitant rates, projected generationally using scale MP-2017.

Disability Retirement: Sex Distinct RP-2014 Total Dataset Mortality with separate employee, disabled annuitant rates, projected generationally using scale MP-2017

Withdrawal Rates:

The rates for both males and females decrease in range from 12% for participants with less than one year of service to 1% for those with 16 years or greater of service.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Actuarial Assumptions & Other Inputs (continued)

Disability Rates:

The rates for both males and females increase in range from 0.006% for participants aged 34 up to 0.195% for participants aged 60 or greater.

Retirement Rates:

The rates for both males and females increase in range from 22% for participants aged 46 to 49 up to 100% for those aged 63 or greater.

Participant Assumption

100% of participants are assumed to elect retiree medical coverage upon retirement.

Marriage Assumption

For actives, it is assumed that husbands are three years older than their wives with 40% of active participants electing spouse coverage at retirement.

Compensation Increase

3.00% per annum, compounded annually.

Inflation Rate

2.30% per year

Claims Costs at Sample Ages

Monthly per capita costs of medical and dental are \$547 for male and \$512 for female and \$42 for male and \$40 for female for each retiree and for spouses, \$547 for male and \$512 for female and \$43 for male and \$42 for female at 65 years of age or less. Monthly per capita costs of medical and dental are \$602 for male and \$548 for female and \$44 for male and \$40 for female for each retiree and for spouses, \$602 for male and \$548 for female and \$46 for male and \$42 for female at greater than 65 years of age and older.

Healthcare Inflation (Trend Assumption)

The expected rate of Pre-65 medical and dental cost trends are expected to fluctuate between 4.00% and 5.70%, both increasing and decreasing, until 2038. The expected rate of Post-65 medical cost trends are expected to fluctuate between 4.70% and 5.70% increasing and decreasing until 2040. The expected rate of dental costs are forecasted to also remain consistent until 2040 at 3.41%

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/17	\$1,552,961
<u>Changes for the year:</u>	
Service Cost	52,146
Interest	54,219
Effect of economic/demographic gains or losses	(38,814)
Changes in Assumptions/Inputs	1,097,680
Benefit Payments	<u>(58,446)</u>
Net Changes	\$1,106,785
 Balance at 12/31/18	 <u>\$2,659,746</u>

Sensitivity to the Total OPEB Liability to Changes in the Discount Rate:

The following presents the total OPEB liability of the Assessor, as well as what the Assessor's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	3.10%	4.10%	5.10%
Total OPEB Liability	<u>\$3,127,999</u>	<u>\$2,659,746</u>	<u>\$2,284,979</u>

Sensitivity to the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following presents the total OPEB liability of the Assessor, as well as what the Assessor's total OPEB liability would be if it were calculated using the current healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	<u>\$2,324,300</u>	<u>\$2,659,746</u>	<u>\$3,082,540</u>

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

OPEB Expense and Deferred Outflows and Inflows of Resources related to OPEB:

For the year ended December 31, 2018, the Clerk recognized an OPEB Expense of \$364,626. At December 31, 2018, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	(\$29,347)
Changes in assumptions or other inputs	\$829,953	\$0
Amounts paid subsequent to the measurement date	\$0	\$0
Total	\$829,953	(\$29,347)

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

Year Ended December 31,

2019	\$258,260
2020	\$258,260
2021	\$258,260
2022	\$25,826
2023	\$0
Thereafter	\$0

10. EXPENDITURES FOR THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS

Certain operating expenditures of the assessor's office are paid by the Washington Parish Government as required by Louisiana Revised Statute 33:4713. The assessor's office is located in the Washington Parish Courthouse, and the upkeep and maintenance of the courthouse are paid by the Washington Parish Government. These expenditures are not reflected in the accompanying financial statements.

11. RISK MANAGEMENT

The assessor is exposed to various risks of loss related to limited torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered, in part, by commercial insurance. Settlements have not exceeded insurance coverage in each of the past three years.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

12. INTERGOVERNMENTAL AGREEMENT

During 1994, the Washington Parish Assessor entered into an intergovernmental agreement with the Washington Parish Police Jury, now the Washington Parish Government, and other elected officials of the parish to provide security for the main courthouse building. Under the terms of the agreement, the assessor voluntarily contributes to the project its estimated share of the costs involved. The assessor paid \$0 in 2018.

13. TAX ABATEMENTS

The Washington Parish Assessor's Office is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP") and the Restoration Tax Abatement Program ("RTAP").

Under the ITEP, as authorized by Article 7, Section 21(F), of the Louisiana Constitution and Executive Order Number JBE 2016-73, companies that qualify as manufacturers can apply to the State Board for a property tax exemption on all new property, as defined, used in the manufacturing process. Under the ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. The exemptions are granted for a 5 year term and are renewable for an additional 5 year term upon approval by the State Board. In the case of the local government, these state-granted abatements, have resulted in reductions of property taxes, which the tax assessor administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement.

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

<u>Tax Abatement/Refund Program</u>	<u>Taxes Abated During the Fiscal Year:</u>
Industrial Tax Exemption Program	\$184,765
 <u>Abated Taxes by Company:</u>	
Temple Inland Papermill	\$180,498
Barriere Construction	2,206
Cargill	655
Acme Machine & Welding	674
Allied Materials & Equipment	187
Thor Fabricating	68
Roberson Advertising	477
TOTAL	<u>\$184,765</u>

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2018

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 25, 2019, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

Washington Parish Assessor

Governmental Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues			
Property Taxes	\$ 970,500	\$ 996,790	\$ 26,290
State revenue sharing	62,000	65,773	3,773
Interest Income	3,000	19,810	16,810
Other Revenues	12,000	26,796	14,796
Total Revenues	<u>1,047,500</u>	<u>1,109,169</u>	<u>61,669</u>
Expenditures			
Salaries and Related Benefits	850,000	840,200	9,800
Materials and Supplies	18,000	11,342	6,658
Operating Services	157,000	142,395	14,605
Travel	5,500	4,744	756
Capital Expenditures	17,000	11,838	5,162
Total Expenditures	<u>1,047,500</u>	<u>1,010,519</u>	<u>36,981</u>
Excess Revenues Over Expenditures	<u>-</u>	<u>98,650</u>	<u>98,650</u>
Fund Balance at Beginning of Year	<u>1,679,629</u>	<u>1,679,629</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,679,629</u>	<u>\$ 1,778,279</u>	<u>\$ 98,650</u>

The accompanying notes are an integral part of this schedule.

Washington Parish Assessor
Schedule of Changes in Total OPEB Liability and Related Ratios
For the year ended December 31, 2018

<u>Total OPEB Liability</u>	<u>2018</u>
Service Cost	\$ 52,146
Interest	54,219
Effect of economic/demographic gains or losses	(38,814)
Changes in assumptions or other inputs	1,097,680
Benefit payments	(58,446)
Net Change in Total OPEB Liability	<u>\$ 1,106,785</u>
 Total OPEB Liability-Beginning	 <u>\$ 1,552,961</u>
 Total OPEB Liability-End	 <u><u>\$ 2,659,746</u></u>
 Covered Employee Payroll	 \$ 574,347
 Total OPEB Liability as a percentage of covered employee payroll	 463.09%

Notes:

Benefit Changes: None

Assumption Changes: None

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

Washington Parish Assessor
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2018*

Year End	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	1.128273%	\$ 219,340	\$ 497,326	44.1%	95.46%
2017	1.113936%	\$ 195,464	\$ 489,040	40.0%	95.61%
2016	1.048039%	\$ 369,822	\$ 456,290	81.0%	90.68%
2015	1.006877%	\$ 526,922	\$ 429,026	122.8%	85.57%
2014	1.058188%	\$ 369,939	\$ 428,622	86.3%	90.0%

*The amounts presented have a measurement date of the previous fiscal year end.

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

Washington Parish Assessor
Schedule of Employer Contributions
For the Year Ended December 31, 2018

Year End	Contractually Required Contribution 1	Contributions in Relation to Contractual Required Contributions 2	Contribution Deficiency (Excess)	Employer's Covered Payroll 3	Contributions as a % of Covered Payroll
2018	\$ 39,822	\$ 39,822	\$ -	\$ 497,776	8.00%
2017	\$ 46,892	\$ 46,892	\$ -	\$ 493,718	9.50%
2016	\$ 59,595	\$ 59,595	\$ -	\$ 472,376	12.62%
2015	\$ 57,384	\$ 57,384	\$ -	\$ 425,067	13.50%
2014	\$ 58,298	\$ 58,298	\$ -	\$ 431,833	13.50%

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

For Reference Only:

1. Employer contribution rate multiplied by employer's covered payroll.
2. Actual employer contributions remitted to Louisiana Assessors' Retirement Fund.
3. Employer's covered payroll amount for the year ended December 31 of each year.

SCHEDULE REQUIRED BY STATE LAW LSA RS 24:513A(1)(a)(3)

Washington Parish Assessor

Schedule of Compensation, Benefits and Other Payments to Agency Head

Schedule Required by State Law LSA RS 24:513A(1)(a)(3)

For the Year Ended December 31, 2018

Agency Head:

James A. Stevenson, Jr.

Purpose	Amount
Salary	\$ 131,797
Expense Allowance	13,180
Car Allowance	21,746
Benefits-Insurance	11,762
Benefits-Retirement	23,196
Deferred Compensation	12,250
Meeting Expenses*	1,320
Education Expenses*	348
TOTAL	\$ 215,599

**Include lodging, per diem, & registration fees*

ROBERT A. NEILSON
CERTIFIED PUBLIC ACCOUNTANT, L.L.C.

ROBERT A. NEILSON

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

Honorable James A. Stevenson, Jr.
Washington Parish Assessor
Franklinton, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and major fund of the Washington Parish Assessor, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Washington Parish Assessor's basic financial statements, and have issued my report thereon dated June 25, 2019.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Washington Parish 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Washington Parish Assessor's internal control. Accordingly, I do not express an opinion on the effectiveness of the Washington Parish 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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 Washington Parish Assessor's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not

express such an opinion. The results of my 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 my 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Robert A. Neilson".

Robert A. Neilson, CPA

Bogalusa, Louisiana

June 25, 2019

Washington Parish Assessor
Corrective Action Plan for Current Year Audit Findings
For the Year Ended December 31, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued		Unmodified
Material Weakness Identified	_____ Yes	___ X ___ No
Significant Deficiency identified that are not considered material weaknesses?	_____ Yes	___ X ___ No
Noncompliance material to financial statements noted?	_____ Yes	___ X ___ No

Section II - Findings Affecting the Financial Statements

None

Section III - Compliance and Other Matters

None

Washington Parish Assessor
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2018

Section I - Summary of Auditor's Results

None

Section II - Findings Affecting the Financial Statements

None

Section III - Compliance and Other Matters

None

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable James Stevenson Jr. of the Washington Parish Assessor's Office and the Louisiana Legislative Auditor:

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts***, including receiving, recording, and preparing deposits
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Assessor has policies and procedures in place related to all the categories above, with the exception of Debt Service which is not applicable to the Assessor's office.

Board (or Finance Committee, if applicable)

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

The Washington Parish Assessor's Office does not have a board of directors or similar body; therefore, the procedures listed above were not applicable.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month

from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions as a result of these procedures.

Collections

5. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5). For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location).
- e) Trace the actual deposit per the bank statement to the general ledger.

Exceptions: (1) Cash collected by any employee is put into the same secured locked location. (2) There is no insurance policy that covers employees who have access to cash for theft.

Management's Response: *Only one person, who is not responsible for the deposits, has access to the locked location. Also, the cost of an insurance policy that covers employee theft is greater than the amount of cash received each year.*

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

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

These procedures were rotated off of Year 2 procedures as a result of compliance in Year 1.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Exception: The credit card statement selected only had one receipt for the six charges on the statement and the approval of purchase was by the cardholder (The Assessor).

Management's Response: *Four of the six receipts were accidentally attached to the wrong credit card statement. The other missing receipt could not be found, but greater effort will be made to ensure the proper filing of receipts to credit card statements.*

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

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

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions as a result of these procedures.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions as a result of these procedures.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

These procedures were rotated off of Year 2 procedures as a result of compliance in Year 1.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

These procedures were rotated off of Year 2 procedures as a result of compliance in Year 1.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

These procedures were rotated off of Year 2 procedures as a result of compliance in Year 1.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the

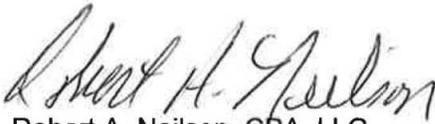
misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

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

These procedures were rotated off of Year 2 procedures as a result of compliance in Year 1.

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

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



Robert A. Neilson, CPA, LLC

Bogalusa, Louisiana
June 25, 2019