

**WASHINGTON PARISH ASSESSOR**  
**Franklinton, Louisiana**

**Annual Financial Statements**  
**As of and for the Year Ended December 31, 2017**

**Washington Parish Assessor**  
Annual Financial Statements  
As of and for the Year Ended December 31, 2017

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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, 2017, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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, 2017, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 3-6, Budgetary Comparison Schedule on page 41, Schedule of Funding Progress on page 42, Schedule of Employer's Share of Net Pension Liability on page 43, and Schedule of Employer Contributions on page 44, 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 26, 2018, 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 26, 2018

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART I**

**Washington Parish Assessor**  
Management Discussion & Analysis  
December 31, 2017

This section of the annual financial report presents our discussion and analysis of the Assessor's financial performance during the year ended December 31, 2017. Please read it in conjunction with the financial statements and the accompanying notes to those financial statements.

**FINANCIAL HIGHLIGHTS – GOVERNMENT WIDE**

- The Assessor's assets exceeded its liabilities by \$628,909 and \$604,559 (net position) at December 31, 2017 and 2016, respectively.
- Revenue decreased approximately 1%.
- Expenses increased approximately 3.5%.

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

**Washington Parish Assessor**  
**Management Discussion & Analysis**  
**December 31, 2017**

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, 2017 and 2016 are summarized below.

	<u>2017</u>	<u>2016</u>
Current Assets	\$1,728,501	\$1,643,153
Capital Assets (net)	<u>35,999</u>	<u>49,485</u>
Total Assets	<u>1,764,500</u>	<u>1,692,638</u>
Deferred Outflows of Resources	<u>\$ 174,206</u>	<u>\$ 207,445</u>
Current Liabilities	5,562	9,939
Long Term Liabilities	<u>1,154,906</u>	<u>1,231,240</u>
Total Liabilities	<u>1,160,468</u>	<u>1,241,179</u>
Deferred Inflows of Resources	<u>\$ 149,329</u>	<u>\$ 54,345</u>
Investment in Capital Assets	35,999	49,485
Unrestricted	<u>592,910</u>	<u>555,074</u>
Total Net Position	<u>\$ 628,909</u>	<u>\$ 604,559</u>

Receivables are 50% and 61% of total assets at December 31, 2017 and 2016, respectively. Capital assets, net of accumulated depreciation are 2% and 3% of total assets at December 31, 2017 and 2016, respectively. Capital assets are non-liquid assets and cannot be utilized to satisfy the Assessor's obligations.

Approximately 94% and 92% of the Assessor's net position are unrestricted at December 31, 2017 and 2016. Governmental activities increased net position by \$24,350 and \$72,466 in the years ended December 31, 2017 and 2016, respectively. A condensed Statement of Activities is presented below.

**Washington Parish Assessor**  
**Management Discussion & Analysis**  
**December 31, 2017**

	<u>2017</u>	<u>2016</u>
<u>Revenues:</u>		
Property Taxes	\$986,563	\$960,204
Other Revenues	<u>244,393</u>	<u>284,025</u>
Total Revenues	1,230,956	1,244,229
 <u>Expenses:</u>		
Salaries and related benefits	1,011,359	985,582
Other expenses	<u>195,247</u>	<u>186,181</u>
Total expenses	<u>1,206,606</u>	<u>1,171,763</u>
 Change in net position	 24,350	 72,466
Net position-beginning	<u>604,559</u>	<u>532,093</u>
<b>Net position- ending</b>	<b><u>\$ 628,909</u></b>	<b><u>\$ 604,559</u></b>

Property taxes are approximately 80% and 77% of total revenues in 2017 and 2016.

Salaries and related benefits are approximately 84% of total expenses in 2017 and 2016.

**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 \$89,871 and \$92,850 in 2017 and 2016, respectively. At December 31, 2017, the total fund balance of \$1,679,629 was unassigned.

Total revenues reported in the governmental fund are \$147,257 and \$187,746 less than total revenues reported in the government-wide statement of activities mainly due to the recognition of unrestricted contributions in 2017 and 2016, respectively. The difference of \$212,778 between the general fund expenditures and the expenses on the statement of activities in 2017 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 2017.

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

**Washington Parish Assessor**  
Management Discussion & Analysis  
December 31, 2017

1. Actual revenues and other financing sources were greater than budgeted total revenues and other financing sources by \$51,699.
2. Total actual expenditures were less than total budgeted expenditures by \$38,173.

**CAPITAL ASSETS**

The following summarizes the Assessor's investment in capital assets at December 31, 2017 and 2016.

	<u>2017</u>	<u>2016</u>
Capital Assets	\$354,071	\$358,667
Less: Accumulated Depreciation	<u>(318,072)</u>	<u>(309,182)</u>
<b>Capital Assets, Net</b>	<b><u>\$35,999</u></b>	<b><u>\$49,485</u></b>

The assessor purchased \$4,897 and disposed \$9,494 of capital assets in 2017.

**LONG-TERM LIABILITIES**

The OPEB obligation increased \$98,025 and the net pension liability decreased \$174,359 in 2017.

**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 anticipated legal fees related to litigation involving a tax protest have affected the budget and caused expected expenditures to rise.

**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, 2017**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 170,520
Investment	684,387
Receivables	873,594
Capital assets (net)	35,999
<b>Total Assets</b>	<b>1,764,500</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 174,206</b>
<b>LIABILITIES</b>	
Accounts Payable	\$ 2,281
Payroll Taxes Payable	3,281
Long Term Liabilities	
OPEB Obligation	959,443
Net Pension Liability	195,463
<b>Total Liabilities</b>	<b>1,160,468</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 149,329</b>
<b>NET POSITION</b>	
Investment in capital assets, net of related debt	35,999
Unrestricted	592,910
<b>Total Net Position</b>	<b>\$ 628,909</b>

**Washington Parish Assessor**  
**Statement of Activities**  
For the Year Ended December 31, 2017

	<u>Expenses</u>	<u>Program Revenues</u> Charges for Services	<u>Net (Expenses) Revenues and Changes in Net Position Governmental Activities</u>
<b>Governmental Activities:</b>			
General Government	\$ 1,206,606	\$ 85,434	\$ (1,121,172)
			<b><u>General Revenues</u></b>
Taxes- Ad Valorem taxes, levied for general purposes			986,563
Interest			11,536
Miscellaneous			20
Non-employer pension contributions			<u>147,403</u>
<b>Total General Revenues</b>			<u>1,145,522</u>
<b>Change in Net Position</b>			24,350
<b>Net Position- Beginning</b>			<u>604,559</u>
<b>Net Position- Ending</b>			<u><u>\$ 628,909</u></u>

**Washington Parish Assessor**  
Balance Sheet  
Governmental Fund  
December 31, 2017

<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 170,520
Investment	684,387
Receivables	<u>873,594</u>
<b>Total Assets</b>	<u><u>\$ 1,728,501</u></u>
<b>Deferred Outflows of Resources</b>	<u>\$ -</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 2,281
Payroll Taxes Payable	<u>3,281</u>
<b>Total Liabilities</b>	<u>5,562</u>
<b>Deferred Inflows of Resources</b>	<u>\$ 43,310</u>
<b>FUND BALANCE</b>	
Unassigned	<u>1,679,629</u>
<b>Total Fund Balance</b>	<u>1,679,629</u>
<b>Total Liabilities &amp; Fund Balances</b>	<u><u>\$ 1,728,501</u></u>

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

**Fund Balances - Governmental Fund** \$ 1,679,629

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	354,072	
Accumulated Depreciation	<u>(318,073)</u>	35,999

The deferred outflow s of expenditures for the Assessor's Retirement Funds are not a use of current resources, and therefore, are not reported in the fund financial statements. 174,206

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

OPEB Obligation	(959,443)	
Net Pension Liability	<u>(195,463)</u>	(1,154,906)

The deferred inflow s of contributions for the Assessor's Retirement Funds are not a use of current resources, and therefore, are not reported in the fund financial statements. (149,329)

Certain revenues w ill be collected after year-end but are not available to pay current period expenditures and, therefore, are deferred in the fund. 43,310

**Net Position of Governmental Activities** \$ 628,909

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

<b>Revenues</b>	
Property Taxes	\$ 986,709
State revenue sharing	66,440
Interest Income	11,536
Other Revenues	19,014
	1,083,699
<b>Total Revenues</b>	
	1,083,699
<b>Expenditures</b>	
Salaries and Related Benefits	812,067
Materials and Supplies	15,649
Operating Services	156,253
Travel	4,962
Capital Expenditures	4,897
	993,828
<b>Total Expenditures</b>	
	993,828
<b>Excess Revenues Over Expenditures</b>	
	89,871
<b>Fund Balance at Beginning of Year</b>	
	1,589,758
<b>Fund Balance at End of Year</b>	
	\$ 1,679,629

**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, 2017

**Net Change in Governmental Fund Balance** \$ 89,871

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	4,897	
Depreciation Expense	<u>(18,383)</u>	(13,486)

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	(98,025)	
Pension Expense	<u>(101,267)</u>	(199,292)

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. 147,403

Change in Deferred Revenue (146)

**Change in Net Position of Governmental Activities** \$ 24,350

**Washington Parish Assessor**  
Notes to the Financial Statements  
December 31, 2017

**INTRODUCTION**

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the assessor is elected by the voters of the parish and serves a four-year term. The assessor assesses all real and movable property in the parish, subject to ad valorem taxation. The assessor is authorized to appoint as many deputies as may be necessary for 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, 2017 there are 28,410 real property and 1,230 movable property assessments totaling \$187,999,660 and \$58,768,700, respectively. This represents an increase of 252 real property assessments and an increase of \$1,985,580 in assessed value of real property over the prior year caused primarily by property values being reassessed. There was a decrease of 15 personal property assessments and an increase of \$2,194,000 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, 2017

**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, 2017

**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 \$43,310.

**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, 2017

**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. They include the fund of the reporting entity, which is considered to be a governmental activity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

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

**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 2017 was published in the official journal and made available for public inspection on November 4, 2016. The public hearing for the proposed budget was held on December 12, 2016 and the budget was adopted on December 12, 2016. 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 2017.

**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

**Washington Parish Assessor**  
Notes to the Financial Statements  
December 31, 2017

**G. CAPITAL ASSETS (continued)**

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, 2017.

**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 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".

**Washington Parish Assessor**  
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December 31, 2017

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

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, the Assessor reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

**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. NEW GASB PRONOUNCEMENTS**

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

**Washington Parish Assessor**  
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**L. NEW GASB PRONOUNCEMENTS (continued)**

expense/expenditures. This Statement will be effective for the Assessor for the fiscal year ending December 31, 2018.

**M. CURRENT YEAR ADOPTION OF NEW ACCOUNTING STANDARDS**

The GASB issued Statement No. 77, *Tax Abatement Disclosures* in August 2015. This Statement is intended to improve financial reporting by requiring governments that enter into tax abatement agreements to disclose certain information about the agreements. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 15, 2015. The Washington Parish Assessor's Office has implemented GASB No. 77 for the year ended December 31, 2017. The implementation of these standards has no effect on the Assessor's financial statements. See Note 14 for required disclosures.

The GASB issued Statement No. 82, *Pension Issues- an amendment of GASB Statements No. 67, 68, and 78*, amends Statements 67 and 68 to require the presentation of covered payroll instead of covered-employee payroll. Covered payroll is defined as payroll on which contributions to a pension plan are based. Other provisions of this Statement do not impact the financial reporting of the Assessor. As a result of implantation of this Statement, the pension related schedules in the required supplementary information have been adjusted to reflect covered payroll amounts for all years presented.

**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, 2017. The following are the principal taxpayers for the parish:

<b>Taxpayer</b>	<b>Type of Business</b>	<b>Assessed Valuation</b>	<b>% of Total Assessed Valuation</b>
Temple Inland	Paper mill	\$26,870,190	11%
Entergy Louisiana	Utility	\$10,575,320	4%
Florida Gas Transmission	Pipeline	<u>\$ 9,698,930</u>	<u>4%</u>
<b>TOTAL:</b>		<b><u>\$47,144,440</u></b>	<b><u>19%</u></b>

The total assessed valuation for all taxpayers at December 31, 2017 was \$246,768,360. 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".

**Washington Parish Assessor**  
Notes to the Financial Statements  
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**3. CASH AND CASH EQUIVALENTS**

At December 31, 2017, the assessor had cash and cash equivalents totaling \$170,520 as follows:

Demand deposits	\$16,965
Time deposits	<u>153,555</u>
<b>Total</b>	<b><u>\$170,520</u></b>

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 mutually acceptable to both parties.

At December 31, 2017 the assessor had \$195,304 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.

**Washington Parish Assessor**  
Notes to the Financial Statements  
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**4. INVESTMENTS (continued)**

- 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 \$1,483,041,455 (from LAMP's monthly Statement of Net Assets) as of December 31, 2017.
- Foreign currency risk: Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value based on quoted market rates. 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 \$873,594 at December 31, 2017 are as follows:

**Class of Receivable**

City Tax	\$ 200
Ad valorem taxes	808,698
State revenue sharing and other	<u>64,696</u>
<b>Total</b>	<b><u>\$873,594</u></b>

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

**Washington Parish Assessor**  
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**6. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2017 are as follows:

	<b>Building Improvements</b>	<b>Furniture &amp; Equipment</b>	<b>Vehicles</b>	<b>TOTAL</b>
Capital Assets 12/31/16	\$61,314	\$278,830	\$18,523	\$358,667
Additions		4,897		4,897
Deletions		(9,492)		(9,492)
Capital Assets 12/31/17	61,314	274,235	18,523	354,072
Accumulated Depreciation 12/31/16	42,167	256,827	10,188	309,182
Additions	2,025	12,653	3,705	18,383
Deletions		(9,492)		(9,492)
Accumulated Depreciation 12/31/17	44,192	259,988	13,893	318,073
<b>Capital Assets, Net of Accumulated Depreciation, 12/31/17</b>	<b><u>\$17,122</u></b>	<b><u>\$14,247</u></b>	<b><u>\$4,630</u></b>	<b><u>\$35,999</u></b>

Capital assets on the statement of position include \$4,897 of new additions and \$9,492 of deletions. For the year ended December 31, 2017, depreciation expense was \$18,383.

**7. PENSION PLAN**

The Louisiana Assessors' Retirement Fund (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.

**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

**Washington Parish Assessor**  
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**7. PENSION PLAN (continued)**

**A. Pension Benefits (continued)**

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.

**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

**Washington Parish Assessor**  
Notes to the Financial Statements  
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**7. PENSION PLAN (continued)**

**B. Death Benefits (continued)**

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.

**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.

**Washington Parish Assessor**  
Notes to the Financial Statements  
December 31, 2017

**7. PENSION PLAN (continued)**

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

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

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.
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.

**Washington Parish Assessor**  
Notes to the Financial Statements  
December 31, 2017

**7. PENSION PLAN (continued)**

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

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. Employer contributions were 10% of members' earnings for the year ended September 30, 2017. The fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state as well as a state revenue sharing appropriation.

**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.

**Washington Parish Assessor**  
Notes to the Financial Statements  
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**7. PENSION PLAN (continued)**

**Schedule of Employer Allocations (continued)**

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, 2017.

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

At December 31, 2017, the Assessor reported a liability of \$195,463 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2017 and the total pension liability used to calculate the net pension liability 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, 2017, the Assessor's proportion was 1.11394%, which was an increase of 0.06590% from its proportion measured as of September 30, 2016.

For the year ended December 31, 2017, the Assessor recognized pension expense of \$46,892 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was \$101,267. The total pension expense for the Assessor for the year ended December 31, 2017 was \$148,159.

At December 30, 2017, the Assessor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Washington Parish Assessor**  
Notes to the Financial Statements  
December 31, 2017

**7. PENSION PLAN (continued)**

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

	<b><u>Deferred Outflows Of Resources</u></b>	<b><u>Deferred Inflows Of Resources</u></b>
Difference between expected and actual experience	\$21,786	\$61,367
Change in assumptions	122,250	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	20,250	12,325
Net differences between projected and actual earnings on plan investments		75,637
Contributions subsequent to the measurement date	9,920	-
<b>TOTAL</b>	<b><u>\$174,206</u></b>	<b><u>\$149,329</u></b>

Deferred outflows of resources of \$9,920 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>	
2018	\$5,995
2019	5,995
2020	5,995
2021	(16,375)
2022	13,344
	<b><u>\$14,954</u></b>

**Washington Parish Assessor**  
Notes to the Financial Statements  
December 31, 2017

**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, determined in accordance with GASB 67 as of September 30, 2017, are as follows:

Total pension liability	\$399,744,486
Plan fiduciary net position	<u>382,197,366</u>
Net Pension Liability	<u>\$ 17,547,120</u>
Plan Fiduciary net position as a percentage of total pension liability	95.61%

*Actuarial Methods and Assumptions*

The current year actuarial assumptions utilized for this report are based on the assumptions used in the September 30, 2017 actuarial funding valuation, which (with the exception of mortality) were based on results of an actuarial experience study for the period 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, 2017

**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)	6.75%, net position plan investment expense, including inflation
Inflation Rate	2.50%
Salary Increases	5.75%
Annuitant and beneficiary mortality	RP-2000 Healthy Annuitant Table set forward one year and projected to 2030 for males and females
Active Members Mortality	RP-2000 Employee Table set back four years for males and three years for females
Disabled Lives Mortality	RP-2000 Disabled Lives Mortality Tables set back five years for males and three years for females

**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, 2017, are summarized in the following table:

**Washington Parish Assessor**  
Notes to the Financial Statements  
December 31, 2017

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

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

**Washington Parish Assessor**  
Notes to the Financial Statements  
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**7. PENSION PLAN (continued)**

**Sensitivity to Changes in Discount Rate**

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

<b>Net Pension Liability</b>	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
Plan	\$59,502,768	\$17,547,120	\$(18,419,993)
Assessor	\$662,822	\$195,463	\$(205,187)

**Change in Net Pension Liability**

The changes in the net pension liability for the year ended December 31, 2017 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 \$21,786 and a deferred inflow of resources in the amount of \$61,367 for the year ended December 31, 2017.

*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 \$75,637 for the year ended December 31, 2017.

**Washington Parish Assessor**  
Notes to the Financial Statements  
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**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 \$122,250 for the year ended December 31, 2017.

*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 \$20,250 and deferred inflow of resources in the amount of \$12,325 for the year ended December 31, 2017.

**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, 2017. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.lia.la.gov](http://www.lia.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, 2017

**8. DEFERRED COMPENSATION PLAN**

The assessor offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. 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 \$39,993 to the plan during the year ended December 31, 2017.

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

**Plan Description**

The Washington Parish Assessor contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides medical, dental and life insurance benefits to eligible retirees and their spouses. Benefit provisions are established by the Washington Parish Assessor. The Retiree Health Plan does not issue a publicly available financial report. Effective with the Year ending December 31, 2009, the Washington Parish Assessor implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (GASB 45). This statement has been implemented prospectively. Using this method, the beginning OPEB liability relative to past service (prior to January 1, 2009) will be amortized as an expense over thirty years.

**Funding Policy**

The Washington Parish Assessor pays on average \$167 per month of the cost of current year premiums for eligible retirees and their spouses but does not pay for the coverage of their dependents. To be eligible for post-employment benefits, the employee must have been a full-time employee and eligible for retirement benefits from the Louisiana Assessor's Retirement System. Currently, the Assessor is paying post-employment benefits for seven retired employees. For the year ended December 31, 2017, the Assessor paid \$14,042 of insurance premiums for retired employees.

**Washington Parish Assessor**  
Notes to the Financial Statements  
December 31, 2017

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

**Annual OPEB Cost and Net OPEB Obligation**

The Assessor's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC). The Assessor's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A 4% discount rate and amortization period of 30 years (the maximum amortization period allowed by GASB 45) have been used for the post-employment benefits.

**Determination of Annual Required Contribution**

Normal Cost at fiscal year-end	\$70,026
Amortization of UAAL	<u>103,410</u>
Annual Required Contribution	\$173,436

**Determination of Net OPEB Obligation**

Net OPEB Obligation	\$861,418
Annual Required Contribution	173,436
Interest on Prior Year Net OPEB Obligation	34,457
Adjustment to ARC	<u>(56,498)</u>
Annual OPEB Cost	151,395
Assumed Contributions Made	<u>(53,370)</u>
Estimated Increase in Net OPEB Obligation	98,025
Estimated Net OPEB Obligation- End of Year	<b><u>\$959,443</u></b>

**Washington Parish Assessor**  
Notes to the Financial Statements  
December 31, 2017

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

**Annual OPEB Cost and Net OPEB Obligation (continued)**

**Schedule of Employer Contributions**

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Annual</u> <u>Contributed</u>	<u>% of Annual</u> <u>OPEB Costs</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
12/31/15	\$157,071	\$31,873	25.9%	\$755,943
12/31/16	\$154,094	\$38,809	31.6%	\$861,418
12/31/17	\$151,395	\$14,042	35.3%	\$959,443

**Funded Status and Funding Progress**

**As of December 31, 2017:**

<u>Actuarial</u> <u>Value of</u> <u>Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u>	<u>Unfunded</u> <u>AAL (UAAL)</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>UAAL as a</u> <u>% of</u> <u>Covered</u> <u>Payroll</u>
\$0	\$1,576,693	\$1,576,693	0.0%	\$493,718	319.4%

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Because requirements of GASB 45 were implemented starting with the year ended December 31, 2009, only nine years are available.

**Actuarial Methods and Assumptions**

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

**Washington Parish Assessor**  
Notes to the Financial Statements  
December 31, 2017

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

**Actuarial Methods and Assumptions (continued)**

that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

**Actuarial Cost Method**

The ARC is determined using the Projected Unit Credit Cost Method. This method determines, in a systematic way, the incidence of plan sponsor contributions required to provide plan benefits. It also determines how actuarial gains and losses are recognized in OPEB costs. These gains and losses result from the difference between the actual experience under the plan and what was anticipated by the actuarial assumptions.

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:

*Measurement Date:*

Benefit liabilities are valued as of January 1, 2015.

*Discount Rate for Valuing Liabilities:*

With prefunding: 4% per annum, compounded annually

*Mortality Rates:*

Pre-retirement: Sex Distinct RP 2000 Combined Healthy Mortality Table projected to 2017 using Scale AA.

Post-retirement: Sex Distinct RP 2000 Combined Healthy Mortality Table projected to 2017 using Scale AA.

*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.

*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.

**Washington Parish Assessor**  
Notes to the Financial Statements  
December 31, 2017

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

**Actuarial Cost Method (continued)**

*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. 20% of active participants making it to retirement are assumed to be married and elect spouse coverage.

*Claims Costs at Sample Ages*

Monthly per capita costs of medical and dental are \$758.33 and \$31.63 for each retiree and \$635.29 and \$60.16 for each spouse at 65 years of age or less. Monthly per capita costs of medical and dental are \$529.14 and \$31.63 for each retiree and \$635.29 and \$60.16 for each spouse at greater than 65 years of age and older.

*Healthcare Inflation (Trend Assumption)*

The expected rate of Pre-65 medical cost trends are expected to fluctuate between 0.10% and 0.5%, both increasing and decreasing, until 2038. The expected rate of Post-65 medical cost trends are expected to remain fairly consistent with only 0.10% increases and decreases until 2038. The expected rate of dental costs are forecasted to also remain consistent until 2038 at 4.74%

**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. LITIGATION**

Subsequent to year end 2016, the Louisiana Tax Commission ruled in favor of a taxpayer in its protest of its 2016 property tax assessment. The taxpayer wanted an income approach to the valuation of their property instead of the standard practice of the fair market value approach.

On May 17, 2017, the Assessor filed a lawsuit against the taxpayer and the Louisiana Tax Commission to have the Assessor's original valuation reinstated and to affirm that the taxpayer's appeal of its valuation to the Louisiana Tax Commission had legally prescribed. On October 11, 2017, the matter was resolved and the two parties came to an agreement on the assessed value of the property.

**Washington Parish Assessor**  
**Notes to the Financial Statements**  
**December 31, 2017**

**12. 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.

**13. 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 2017.

**14. 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.

**Washington Parish Assessor**  
Notes to the Financial Statements  
December 31, 2017

**14. TAX ABATEMENTS (continued)**

Taxes abated for the fiscal year ended December 31, 2017 were as follows:

<u>Tax Abatement/Refund Program</u>	<u>Taxes Abated During the Fiscal Year:</u>
Industrial Tax Exemption Program	\$241,711
<u>Abated Taxes by Company:</u>	
Barriere Construction	1,856
Thor Fabricating	72
Acme Machine & Welding	698
Cargill Animal Nutrition	697
Allied Materials & Equipment	192
Robertson Advertising	495
Temple Inland Paper Mill	<u>237,701</u>
<b>Total</b>	<b><u>\$241,711</u></b>

**15. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 26, 2018, 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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b>Revenues</b>			
Property Taxes	\$ 955,500	\$ 986,709	\$ 31,209
State revenue sharing	62,000	66,440	4,440
Interest Income	2,000	11,536	9,536
Other Revenues	<u>12,500</u>	<u>19,014</u>	<u>6,514</u>
<b>Total Revenues</b>	<u>1,032,000</u>	<u>1,083,699</u>	<u>51,699</u>
<b>Expenditures</b>			
Salaries and Related Benefits	850,000	812,067	37,933
Materials and Supplies	16,000	15,649	351
Operating Services	152,000	156,253	(4,253)
Travel	8,000	4,962	3,038
Capital Expenditures	<u>6,000</u>	<u>4,897</u>	<u>1,103</u>
<b>Total Expenditures</b>	<u>1,032,000</u>	<u>993,828</u>	<u>38,172</u>
<b>Excess Revenues Over Expenditures</b>	<u>-</u>	<u>89,871</u>	<u>89,871</u>
<b>Fund Balance at Beginning of Year</b>	<u>1,589,758</u>	<u>1,589,758</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 1,589,758</u>	<u>\$ 1,679,629</u>	<u>\$ 89,871</u>

**Washington Parish Assessor**  
**Schedule of Funding Progress**  
**December 31, 2017**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)(b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b- a)/c]
12/31/2009	\$ -	\$ 1,133,110	\$ 1,133,110	0.0%	\$ 424,047	267.2%
12/31/2012	\$ -	\$ 1,557,869	\$ 1,557,869	0.0%	\$ 433,105	359.7%
12/31/2015	\$ -	\$ 1,576,693	\$ 1,576,693	0.0%	\$ 425,068	370.9%
12/31/2017	\$ -	\$ 1,576,693	\$ 1,576,693	0.0%	\$ 493,718	319.4%

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

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
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, 2017**

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
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, 2017

**Agency Head:**

**James A. Stevenson, Jr.**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 131,797
Expense Allowance	13,180
Benefits-Insurance	10,947
Benefits-Retirement	23,196
Deferred Compensation	12,000
Meeting Expenses*	1,588
Education Expenses*	1,042
Car Allowance	21,746
<b>TOTAL</b>	<b>\$ 215,496</b>

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

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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, 2017, 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 26, 2018.

### 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.



Robert A. Neilson, CPA

Bogalusa, Louisiana

June 26, 2018

**Washington Parish Assessor**  
Corrective Action Plan for Current Year Audit Findings  
For the Year Ended December 31, 2017

**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, 2017

***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, 2017 through December 31, 2017. 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***

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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.

**Exceptions:** The Washington Parish Assessor's Office has policies in effect for payroll and personnel and travel and expense reimbursements. The entity has no other written policies or procedures.

**Management's Response:** We are in the process of updating our office policy and procedures manual to include these sections.

**Board (or Finance Committee, if applicable)**

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- 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**

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

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

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

- a) Bank reconciliations have been prepared;

Bank statements and reconciliations for all months in the fiscal period were obtained and reconciliations were prepared for all months.

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

Exception: There is no evidence that a member of management reviews the bank reconciliations.

**Management's Response:** The Assessor will begin to take a more active role in reviewing the bank reconciliations once they are received from the outside accountant who prepares them.

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

There are no reconciling items that are outstanding for more than 6 months as of the end of the fiscal period.

## **Collections**

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

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

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

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating

controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

**Exceptions:** The Assessor's office has one location in which cash is collected, the front desk. Because there is only one collection location, the cash drawer is shared. Anyone can collect the cash within the office, but not all are bonded. Since anyone can collect the cash, the same person could also make the deposit. There are no segregation of duties for cash collection.

**Management's Response:** We will have a written collections policy that goes into effect July 1, 2018.

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

The entity's outside accountant performs the reconciliations monthly.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
  - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

**Exception:** During the fiscal year 2017, only eight cash collections and deposits were made. Of those eight cash collections, one collection was deposited within one business day. Two of those eight collections did not have the date collected, and the remainder were deposited anywhere from three business days to a month.

**Management's Response:** Per the new/updated policies and procedures of the office, deposits will be made weekly.

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

**Exception:** There is no written documentation or process defined to determine the completeness of all collections by a person not responsible for collections.

**Management's Response:** The updated policies and procedures manual will address this issue.

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

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

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

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

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

**Exceptions:** Twenty five checks were randomly selected and the supporting documentation for each check was received. Each supporting document contained detail of the purchase. However, the entity has no requisition/purchase order system and none of the disbursements were approved by someone who did not initiate the purchase.

**Management's Response:** The Assessor signs all checks disbursed by the office. Since the checks include supporting documentation, the Assessor's signature on the checks is considered approval.

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

There is no purchasing/disbursement system for the entity; therefore this procedure is not applicable.

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

Assessor Stevenson makes the final authorization of a disbursement, who does not initiate or record purchases.

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

Unused checks are kept at the outside accountant's office.

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

The Assessor does not use a signature stamp or machine and signed checks are given to the Chief Deputy to mail.

#### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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

A listing of active credit cards, bank debit cards, fuel cards and P-cards with the names of persons who maintain possession of the cards and management's representation that the listing is complete were obtained.

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

The Assessor only has 2 credit cards issued.

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

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

**Exception:** There was no written approval on the statements selected.

**Management's Response:** The Assessor and Chief Deputy Assessor are the only two employees with credit cards. The Assessor will begin approving all charges by the Chief Deputy Assessor.

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

There were no finance charges or late fees assessed.

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

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

- An original itemized receipt (i.e., identifies precisely what was purchased)
- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Each transaction was supported by the original itemized receipt and documentation of the business/public purpose. There is no written policy for credit card transactions, so no other documentation is required.

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

The entity has no purchasing/disbursement policies as noted in #1. None of the purchases on the selected credit card statements were subject to the Louisiana Public Bid Law.

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

There were no exceptions to this procedure.

### **Travel and Expense Reimbursement**

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

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

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S.

General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

**Exception:** The Assessor's written policies related to travel and expense reimbursements were obtained. Both mileage and per diem amounts paid to the Assessor's employees were in excess of the GSA rates.

**Management's Response:** We are now using the GSA rates.

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

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

Expenses were reimbursed in accordance with the Assessor's policy.

b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

There were no exceptions noted.

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

There were no exceptions noted.

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

**Exception:** On reimbursement sheets filled out by employees, there were no approval signatures.

**Management's Response:** New expense forms have been created with approval signatures required.

## **Contracts**

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

*A listing of all contracts in effect during the fiscal period and management's representation that the listing is complete were obtained.*

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

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

**Exception:** *There are no formal/written contracts that support the service arrangement and payment amount.*

**Management's Response:** We will obtain written contracts upon securing new agreements.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

*None of the contracts were subject to the Louisiana Public Bid Law or Procurement Code, and therefore, the entity did not solicit any quotes for these contracts.*

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

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

**Exception:** *Since there are no formal/written contracts that support the services arrangement and payment amounts, these procedures were not performed.*

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

*The Washington Parish Assessor's Office does not have a board; therefore is not subject to this procedure.*

## **Payroll and Personnel**

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

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

There were no exceptions noted.

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

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

There were no exceptions noted.

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

There were no employees who were terminated during the fiscal year.

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

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

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***Ethics (excluding nonprofits)***

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

*There were no exceptions noted.*

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

*During the fiscal year ending December 31, 2017, there were no allegations of ethics violations made to management.*

***Debt Service (excluding nonprofits)***

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28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.
29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

*The Assessor does not have any tax millages related to debt service.*

***Other***

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

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

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

*The Assessor has the required notices posted on its premises and website.*

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

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

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 26, 2018