

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

ANNUAL FINANCIAL REPORT
December 31, 2018

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

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Independent Auditor's Report

Mr. Morris M. Guin
Webster Parish Tax Assessor
Minden, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information Part I

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, listed as "Required Supplementary Information Part I" in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Required Supplemental Information Part II and Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Webster Parish Tax Assessor's basic financial statements. The "Required Supplementary Information Part II" as listed in the table of contents and the accompanying financial information, listed as "Other Supplemental Information" in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The "Required Supplementary Information Part II" and the accompanying "Other Supplemental Information" are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2019, on our consideration of the Webster Parish Tax Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Webster Parish Tax Assessor's internal control over financial reporting and compliance.

In accordance with the requirement of the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, we have issued a report dated May 28, 2019, on the results of those procedures.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
May 28, 2019

REQUIRED SUPPLEMENTARY INFORMATION
(PART I)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Management's Discussion and Analysis For Year Ending December 31, 2018

This section of the Webster Parish Tax Assessor's (the Assessor or Office) annual financial report presents our discussion and analysis of the Assessor's financial performance during the fiscal year that ended on December 31, 2018. The Assessor's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. We encourage readers to consider the information presented here in conjunction with the Assessor's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

FINANCIAL HIGHLIGHTS

The Webster Parish Tax Assessor's net position increased by \$663,811 or 15.33% in December 31, 2018, compared to an increase of \$137,682 or 3.28% in 2017.

Property taxes increased \$411,677 (26.62%) to \$1,958,374 during the year ended December 31, 2018, compared to a decrease of \$497,524 (-24.34%) to \$1,546,697 during 2017.

The Webster Parish Tax Assessor's total general and program revenues were \$2,405,827 in 2018 compared to \$1,991,671 in 2017. This \$414,456 (20.79%) increase is primarily due to the increase in ad valorem taxes assessed and investment earnings.

During the year ended December 31, 2018, the Assessor had total expenses (excluding depreciation of \$65,424) of \$1,676,592 compared to \$1,778,620 in 2017.

OVERVIEW OF FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the basic financial statements which include government-wide financial statements and fund financial statements. These two types of financial statements present the Assessor's financial position and results of operations from differing perspectives, which are described as follows:

Government-Wide Financial Statement

The government-wide financial statements report information about the Assessor's Office as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Office's assets and all of its liabilities. All of the Office's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by property taxes and related revenue sharing.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Office's most significant activities and are not intended to provide information for the Office as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Office's funds are limited to its general fund, which is classified as a Governmental Fund. This fund is used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund uses a modified accrual basis of accounting that provides a short-term view of the Office's finances. Assets reported by the governmental fund are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

Notes to the Financial Statements

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

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes budgetary comparison schedules for the General Fund. Annual budgets are prepared on the cash basis. There is also a schedule of funding progress for the retiree health plan (OPEB). To comply with GASB 68, there are two schedules detailing the Webster Assessor's proportionate share of net pension liability and pension contributions.

Other Supplemental Information

The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented to fulfil the requirements of Louisiana Revised Statute 24:513(A)(3).

FINANCIAL ANALYSIS OF THE ASSESSOR'S OFFICE AS A WHOLE

Net position may serve over time as a useful indicator of the Webster Parish Tax Assessor's financial position. The total net position changed from a year ago, increasing from \$4,331,000 to \$4,994,811.

	12/31/2018	Restated 12/31/2017
Assets		
Cash	\$ 1,591,897	\$ 3,201,725
Investments	3,185,804	1,663,209
Receivables	1,985,219	1,233,715
Prepaid Expenses	16,599	15,306
Capital Assets, Net of Depreciation	239,980	280,142
Total Assets	<u>7,019,499</u>	<u>6,394,097</u>
Deferred Outflows of Resources		
OPEB related	535,852	-
Pension Related	540,022	309,366
Total Deferred Outflows of Resources	<u>1,075,874</u>	<u>309,366</u>
Liabilities		
Accounts Payable	3,412	8,233
Net Pension Liability	358,158	326,210
Other Postemployment Benefit Obligation	2,372,183	1,773,123
Total Liabilities	<u>2,733,753</u>	<u>2,107,566</u>
Deferred Inflows of Resources		
Pension Related	<u>366,809</u>	<u>264,897</u>
Net Position		
Unrestricted	4,754,831	4,050,858
Net Investment in Capital Assets	239,980	280,142
Total Net Position	<u>\$ 4,994,811</u>	<u>\$ 4,331,000</u>

Current year net position reflects capital assets with a historical cost of \$1,277,414 and accumulated depreciation of \$1,037,434.

A portion of the Assessor's net position, \$239,980 (4.8%) reflects its investment in capital assets such as buildings, equipment, and software, less any related debt used to acquire those assets that is still outstanding compared to \$280,142 (6.4%) as of December 31, 2017. The Assessor uses these capital

assets to provide services to the citizens of the parish; consequently, these assets are not available for future spending.

The largest portion of the Assessor's net position of \$4,754,831 (95%) as of December 31, 2018, and \$4,050,858 (94%) as of December 31, 2017, is unrestricted and may be used to meet the ongoing obligations to the citizens of Webster Parish.

An analysis of the government-wide Statement of Activities is presented as follows:

Revenues	<u>12/31/2018</u>	<u>Restated 12/31/2017</u>
Program Revenue		
Charges for Services	\$ 500	\$ -
General Revenue		
Property Taxes	1,958,374	1,546,697
State Revenue Sharing	129,780	140,181
Local government reimbursements	15,721	21,915
Miscellaneous Income	263,005	260,764
Investment Earnings	38,447	22,114
Total Revenue	<u>2,405,827</u>	<u>1,991,671</u>
Program Expenses		
General Government	<u>1,742,016</u>	<u>1,853,989</u>
Change in Net Position	663,811	137,682
Net Position Beginning, restated	<u>4,331,000</u>	<u>4,193,318</u>
Net Position Ending	<u>\$ 4,994,811</u>	<u>\$ 4,331,000</u>

As the above presentation demonstrates, the Assessor's Office has increased its reserves by \$663,811 or 15.33%.

The Webster Parish Tax Assessor received \$1,958,374, (81%) and \$1,546,697 (78%) of its total revenues through property taxes during 2018 and 2017, respectively.

The Assessor's general government program expenses decreased \$111,973 (6%) over 2017. This decrease is primarily due to a decrease in salaries and benefits.

The Office continues to have a sizeable amount of net position, and this financial trend is expected to continue in the near future.

FINANCIAL ANALYSIS OF THE ASSESSOR'S FUND

For the year ended December 31, 2018, differences between the government-wide presentation and the fund financial statements were due to acquisition of capital outlays, depreciation charges associated with capital assets and differences in unavailable property tax revenue and prepaid expenses, net pension liability and other postretirement benefit obligations.

GENERAL BUDGET BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Assessor complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-RS 39:1301 et seq.). The Assessor's budget was not amended during 2018. The actual revenues were \$412,249 above the budgeted amounts. The actual expenditures were \$321,729 (18%) less than the budgeted amounts. The Webster Parish Tax Assessor was in compliance with the Local Government Budget Act for year ending December 31, 2018.

CAPITAL ASSET ADMINISTRATION

For the year, ended December 31, 2018, the Webster Assessor purchased a truck and an ice machine.

DEBT ADMINISTRATION

At December 31, 2018, the Assessor had no debt on capital assets.

ECONOMIC FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

At the present time, no known issues are expected to have a significant impact on future operations. The 2019 budget was prepared based on 2018 results with an adjustment downward for ad valorem taxes revenue due to the Assessor announcing a reduction of \$500,000 in property taxes dedicated for his office in 2019.

REQUEST FOR INFORMATION

This report is designed to provide a general overview of the Webster Parish Tax Assessor's finances and seeks to demonstrate the Assessor's accountability for the money he receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Morris Guin, Assessor, P. O. Box 734, Minden, Louisiana, 71058.

BASIC FINANCIAL STATEMENTS

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

GOVERNMENTAL FUND BALANCE SHEET / STATEMENT OF NET POSITION

December 31, 2018

	Governmental Fund Financial Statements		Government-wide Statements
	<u>Balance Sheet</u>		<u>Statement of</u>
	<u>General Fund</u>	Adjustments	<u>Net Position</u>
ASSETS			
Cash and cash equivalents	\$ 1,591,897	\$ -	\$ 1,591,897
Investments	3,185,804	-	3,185,804
Ad valorem tax receivable	1,966,502	-	1,966,502
Accrued interest	15,120	3,597	18,717
Prepaid expenses	-	16,599	16,599
Capital assets, net of accumulated depreciation, (see note 4)	-	239,980	239,980
TOTAL ASSETS	\$ 6,759,323	260,176	7,019,499
DEFERRED OUTFLOWS OF RESOURCES			
OPEB related	\$ -	535,852	535,852
Pension related	-	540,022	540,022
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	1,075,874	1,075,874
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 3,412	-	3,412
Noncurrent Liabilities:			
Unavailable ad valorem taxes	181,576	(181,576)	-
Other postemployment benefit obligations	-	2,372,183	2,372,183
Net pension liability	-	358,158	358,158
TOTAL LIABILITIES	184,988	2,548,765	2,733,753
DEFERRED INFLOWS OF RESOURCES			
Pension related	-	366,809	366,809
TOTAL DEFERRED INFLOWS OF RESOURCES	-	366,809	366,809
FUND BALANCE/NET POSITION			
Fund Balances:			
Unassigned	6,574,335	(6,574,335)	-
TOTAL FUND BALANCES	6,574,335	(6,574,335)	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,759,323	(3,658,761)	
Net Position:			
Net investment in capital assets		239,980	239,980
Unrestricted		4,754,831	4,754,831
TOTAL NET POSITION		\$ -	\$ 4,994,811

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

**RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION**

December 31, 2018

Fund Balance - Governmental Fund	\$ 6,574,335
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Amounts reported for governmental activities in the statement of net position are different because:

Prepaid expenses involve payment with current financial resources that are attributable to fiscal periods beyond the end of the current year.	16,599
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	239,980
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Because of the timing of actual receipt, some revenues are not considered "available" to pay current obligations and are not reported in the governmental funds. They are, however, reported in the Statement of Activities	3,597
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Certain deferred outflows reported in the governmental activities are not financial resources and therefore not reported in the governmental funds.

Deferred outflows-pension related	540,022
Deferred outflows-OBEP related	535,852

Unavailable ad valorem taxes are reported as deferred inflows of resources in the governmental funds, but are reflected as income in the Government-wide statement.	181,576
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Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental fund:

Other postemployment obligations liability	(2,372,183)
Deferred inflows-pension related	(366,809)
Net pension liability	<u>(358,158)</u>

Total Net Position of Government Activities	\$ <u>4,994,811</u>
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The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE /
STATEMENT OF ACTIVITIES

For the year ended December 31, 2018

	Governmental Funds Financial Statements <u>Statement of Revenues, Expenditures, and Changes in Fund Balance</u> General Fund	<u>Adjustments</u>	Government-wide Statements <u>Statement of Activities</u>
EXPENDITURES/EXPENSES			
General Government-Taxation:			
Personal services & related benefits	\$ 1,319,107	\$ 215,248	\$ 1,534,355
Operating expenses	93,029	(1,293)	91,736
Material & supplies	28,461	-	28,461
Travel & other charges	22,040	-	22,040
Capital outlays	26,884	(26,884)	-
Depreciation	-	65,424	65,424
TOTAL EXPENDITURES/EXPENSES	<u>1,489,521</u>	<u>252,495</u>	<u>1,742,016</u>
PROGRAM REVENUES			
Charges for services	500	-	500
TOTAL PROGRAM REVENUES	<u>500</u>	<u>-</u>	<u>500</u>
NET PROGRAM EXPENSE	(1,489,021)	(252,495)	(1,741,516)
GENERAL REVENUES			
Property taxes	1,915,307	43,067	1,958,374
State revenue sharing	129,780	-	129,780
Local government reimbursements	15,721	-	15,721
Miscellaneous income	13,001	248,836	261,837
Investment earnings	34,850	3,597	38,447
TOTAL GENERAL REVENUES	<u>2,108,659</u>	<u>295,500</u>	<u>2,404,159</u>
OTHER FINANCING SOURCES(USES)			
Sales of assets/Gain(loss) on sale of assets	2,790	(1,622)	1,168
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,790</u>	<u>(1,622)</u>	<u>1,168</u>
NET CHANGE IN FUND BALANCE/ CHANGE IN NET POSITION	622,428	41,383	663,811
FUND BALANCE / NET POSITION			
Beginning of the year (Net position restated)	5,951,907		4,331,000
End of the year	<u>\$ 6,574,335</u>		<u>\$ 4,994,811</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**

For the year ended December 31, 2018

Net change in Fund Balance - Governmental Fund **\$ 622,428**

Governmental funds report expenses that involve payments with current financial resources, such as insurance, in the year in which it is paid. In the Statement of Activities, payments that are attributable in current periods are recognized.

Increase in prepaid expenses 1,293

Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of the assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense. Therefore, capital expenditures are not recorded in the statement of activities.

Capital outlays 26,884
Depreciation (65,424)

Revenue in the Statement of Activities that does not provide current financial resources are not reported as revenues in the funds. The change in unavailable ad valorem taxes is, therefore, not included.

Change in unavailable ad valorem taxes 43,067
Accrued interest 3,597

In the Statement of Activities, the losses on the disposal of fixed assets is reported; whereas, in the governmental funds, the proceeds from the disposal increase financial resources

Proceeds from disposal of fixed assets (2,790)
Gain (loss) on disposal of fixed assets 1,168

In the Statement of Activities pension and other postemployment benefits are reported in the government-wide statements, but not in the governmental fund statements.

Pension expense (152,040)
Non-employer contributions to cost-sharing pension plan 248,836
Other postemployment benefits (63,208)

Net change in Net Position **\$ 663,811**

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

NOTES TO THE FINANCIAL STATEMENTS

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Notes to Financial Statements

December 31, 2018

INTRODUCTION

As provided by LSA-RS 47:1901, the Assessor is elected by the voters of the parish and serves a four-year term. The Assessor enumerates, lists, and assesses all real and movable property in the parish, subject to ad valorem taxation. The Assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and to 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 Minden, Louisiana. The Assessor employs ten employees, including nine deputies. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Webster Parish Tax 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; Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and Statement 65, *Items Previously Reported as Assets and Liabilities*. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Government Audit Guide*. The more significant accounting policies established by GAAP and used by the Webster Parish Tax Assessor are discussed below.

A. REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. For financial reporting purposes, in conformance with GASB Statement No. 14, the Webster Parish Tax Assessor includes all funds that are within the oversight responsibility of the Assessor. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. Based on consideration of the foregoing criteria, the Assessor is deemed to be a separate reporting entity.

For financial reporting purposes, the Assessor includes all funds and activities that are controlled by the Assessor as an independently elected official. The Assessor is solely responsible for the operations of his office, which includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Webster Parish Police Jury maintains and operates the building which the Assessor's office is located.

B. MEASUREMENT FOCUS / BASIS OF PRESENTATION

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues, expenditures, expenses, and transfers—and assets, deferred outflows of resources, liabilities, and deferred inflows of resources—are recognized in the accounts and reported in the financial statements.

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Notes to Financial Statements

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. MEASUREMENT FOCUS / BASIS OF PRESENTATION (continued)

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or non-current) associated with its activities are reported. Government-wide fund equity is classified as net position.

In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. The statement of revenues, expenditures, and changes in fund balance reports sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of available spendable financial resources during a given period. This approach is then reconciled, through adjustment, to a government-wide view of the operations.

The Webster Parish Tax Assessor's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

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

Fund Financial Statements

The accounts of the Assessor are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets 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. The major governmental fund of the Assessor is described below:

General Fund. The General Fund, as provided by Louisiana Revised Statute 47:1906 is the primary operating fund of the Assessor and is used to account for the operations of the Assessor. 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,

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Notes to Financial Statements

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIS OF ACCOUNTING

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

Revenues

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31, 2018. The taxes are normally collected in December of the current year and January and February of the ensuing year.

State revenue sharing is recorded in the year the Assessor is entitled to the funds. Fees for preparing tax rolls are recognized in the period in which they are paid. Interest income on demand deposits is recorded monthly when the interest is earned and credited to the Assessor's account. Interest income on time deposits is accrued at year end.

Expenditures

Salaries and related benefits are recorded when employee services are provided. Purchases of various operating supplies are recorded as expenditures in the accounting period in which they are purchased. Substantially all other expenditures are recognized when the related fund liability is incurred.

D. CASH AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts or nonnegotiable certificates of deposit. Under state law, the Assessor may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Assessor may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

E. PREPAID EXPENSES

Payments made to vendors for services that will benefit periods beyond December 31, 2018, are recorded as prepaid expenses.

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Notes to Financial Statements

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. ACCOUNTS RECEIVABLE

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectible is used.

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost for items known and estimated cost is used 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 \$2,500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the Statement of Net Position and 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, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Vehicles	5 years
Buildings & improvements	40 years
Computers & peripherals	5 years
Furniture, fixtures, equipment	5-10 years
Website & parcel conversion	10 years

Depreciation of all exhaustible capital assets is reported as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Assets reported in the fund financial statements for governmental funds exclude capital assets. The governmental funds financial statements report the acquisition of capital assets as expenditures.

H. COMPENSATED ABSENCES

Employees of the Assessor's office receive 10 to 20 days of noncumulative vacation leave each year depending on length of service. Vacation leave must be taken in the year earned. The costs of these leave privileges, computed in accordance with GASB Codification Section C60, are recognized as current-year expenditures in the General Fund when leave is actually taken.

I. EQUITY CLASSIFICATIONS

Net Position

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

Net investment in capital assets. This category consists of capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Position. This category consists of net position with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Notes to Financial Statements

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. EQUITY CLASSIFICATIONS (continued)

Unrestricted Net Position. This category consists of all other net position that does not meet the definition of the above two components and is available for general use by the Assessor.

When an expense is incurred that can be paid using either restricted or unrestricted resource (net position) the Assessor's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

Fund Balances

In accordance with GASB 54, the Assessor classified fund balances in governmental funds as follows:

Nonspendable. Amounts that are not in spendable form (such as prepaid expenses) because they are legally or contractually required to be maintained intact.

Restricted. Amounts constrained to specific purposes by their providers (such as grantors or higher levels of government).

Committed. Amounts constrained by the Assessor. To be reported as committed, amounts cannot be used for any other purpose unless the Assessor takes the action to remove or change the constraint.

Assigned. Amounts the Assessor intends to use for a specific purpose.

Unassigned. All amounts not included in other spendable classifications.

The Assessor would typically apply an expenditure toward restricted fund balance and then to the other, less-restrictive classifications—committed and then assigned fund balances before using unassigned fund balances.

J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The Webster Tax Assessor has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position reports a separate section for deferred inflow of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Webster Tax Assessor recognizes differences between expected and actual factors in total pension liability measurements, changes in assumptions about future factors in the total pension liability measurements, and the differences between projected and actual earnings on pension plan investments within these financial statement sections. The Assessor also recognizes differences between expected and actual experience and changes in assumptions affected the total OPEB liability within the deferred outflow section of the financial statements.

K. UNAVAILABLE AD VALOREM TAXES

Under the modified accrual basis of accounting, the Webster Parish Assessor's governmental funds will not recognize revenue until they are available (collected not later than 60 days after the Assessor's yearend).

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Notes to Financial Statements

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. PENSION PLANS

The Webster Parish Tax Assessor is a participating employer in a cost-sharing, multiple-employer qualified governmental defined benefit pension plan as described in Note 5. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

M. CHANGE IN ACCOUNTING PRINCIPLE

During the year ending December 31, 2018, the Webster Parish Tax Assessor adopted GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension." The statement's objective is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This statement replaces the requirements of Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension." This resulted in a restatement of previously reported net position as follows:

	Governmental Activities
Total Net position, December 31, 2017, as previously reported	\$ 4,393,003
Change in accounting principle:	
Net effect of implementing GASB Statement No. 75	(62,003)
Total Net Position, December 31, 2017, Restated	<u>\$ 4,331,000</u>

N. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Webster Parish Tax Assessor follows GASB Statement 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension," which requires the accrual of other postemployment benefits for retired employees. The Assessor has recorded a liability for other postemployment benefits (see Note 6). In the government-wide financial statements, the other postemployment benefits liability is recorded as an expense and non-current liability and allocated on a functional basis. In the fund financial statements, other postemployment expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

O. USE OF 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.

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Notes to Financial Statements

December 31, 2018

2. AD VALOREM TAXES

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

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

The property tax calendar:

Assessment date	January 1, 2018
Levy date	June 30, 2018
Tax bill mailed	October 15, 2018
Total taxes are due	December 31, 2018
Penalties & interest added	January 31, 2019
Tax sale	May 14, 2019

A revaluation of all property is required to be completed not less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$306,690,140 in 2018. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$54,971,152 of the assessed value in 2018. For the year ended December 31, 2018, the Assessor authorized an ad valorem tax millage of 7.78 mills and levied taxes of 7.78 mills for 2018.

The following are the principal taxpayers for the Assessor (2018 amounts):

TAXPAYER	TYPE OF BUSINESS	ASSESSED VALUATION	% OF TOTAL ASSESSED VALUATION	Ad Valorem Tax Revenue for Assessor
XTO Energy	Oil & Gas	\$ 14,136,170	4.61%	\$ 90,267
ETC Field Services-Minden	Oil & Gas	10,164,800	3.31%	64,907
Entergy Louisiana LLC	Utility	6,390,000	2.08%	40,803
Gulf Crossing Pipeline Co	Oil & Gas	6,179,950	2.02%	39,462
Fibrebond Corp.	Manufacturing	6,970,840	2.27%	44,512
Midcontinent Express Pipeline	Oil & Gas	5,765,360	1.88%	36,815
Calument Lubricants	Oil & Gas	5,316,080	1.73%	33,946
Regency Field Services	Oil & Gas	4,229,550	1.38%	27,008
Covenant Testing Technologies LLC	Oil & Gas	3,984,590	1.30%	25,444
Kansas City Southern RR Co	Transportation	3,833,290	1.25%	24,478
Total		\$ <u>66,970,630</u>	<u>21.84%</u>	\$ <u>427,642</u>

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Notes to Financial Statements

December 31, 2018

3. CASH

Cash:

The Webster Parish Tax Assessor has cash and cash equivalents (book balances) in interest-bearing demand and time deposits of \$4,777,640 and \$60 in cash for a total of \$4,777,701 at December 31, 2018.

Investments:

At December 31, 2018, the Webster Parish Tax Assessor has the following investments and maturities:

<u>Type of Investment</u>	<u>Fair Value</u>
One-year Certificates of Deposit	\$ 3,185,804

The certificates of deposit are stated at cost, which approximates fair market value.

The cash and investments of the Webster Parish Tax Assessor are subject to the following risks:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Louisiana Revised Statute 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Assessor that the fiscal agent has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Assessor's name.

At December 31, 2018, the Assessor had \$4,815,791 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$4,793,560 is pledged by marketable securities held by the custodial bank.

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

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Notes to Financial Statements

December 31, 2018

4. CAPITAL ASSETS

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

<u>Governmental Activities</u>	Balance 12/31/2017	Additions	Restatement/ Deletions	Balance 12/31/2018
Vehicles	\$ 58,973	\$ 21,984	\$ 20,007	\$ 60,950
Building & Improvements	143,618	-	-	143,618
Computers and Peripherals	249,976	-	-	249,976
Furniture, fixtures, equipment	134,079	4,900	3,675	135,304
Website and parcel conversion	687,566	-	-	687,566
Total	<u>1,274,212</u>	<u>26,884</u>	<u>23,682</u>	<u>1,277,414</u>
<u>Less Accumulated Depreciation:</u>				
Vehicles	58,973	1,832	20,007	40,798
Building & Improvements	60,414	4,561	-	64,975
Computers and Peripherals	249,284	594	-	249,878
Furniture, fixtures, equipment	123,683	2,282	2,053	123,912
Website and parcel conversion	501,716	56,155	-	557,871
Total	<u>994,070</u>	<u>65,424</u>	<u>22,060</u>	<u>1,037,434</u>
Capital Assets, Net	<u>\$ 280,142</u>	<u>\$ (38,540)</u>	<u>\$ 1,622</u>	<u>\$ 239,980</u>

Depreciation expense of \$65,424 was charged to the general government taxation function.

5. PENSION PLAN

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

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

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

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Notes to Financial Statements

December 31, 2018

5. PENSION PLAN (continued)

Death Benefits – As set forth in R.S. 11:1441, benefits for members who die in service are as follows: a) 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; b) 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 will cease upon a subsequent remarriage, or a refund of the member's accumulated contributions; c) If a member dies and is eligible for retirement, the surviving spouse shall receive an automatic optional benefit, which shall not terminate upon a subsequent remarriage; and/or d) benefits set forth in b) shall cease upon remarriage and shall resume upon subsequent divorce or death of a new spouse. The spouse shall be entitled to receive a monthly benefit equal to the amount being received prior to remarriage

Disability Benefits – The Board of Trustees shall award disability benefits to eligible members who have been officially certified as disabled by the State Medical Disability Board. The disability benefit shall be the lesser of the following: 1) A sum equal to the greater of 45% of final average compensation, or the members 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.

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 Bank-DROP if all the following apply: 1) the member has accrued more service credit than the minimum required for eligibility for a normal retirement benefit. 2) the member has attained an age that is greater than the minimum required for eligibility for a normal retirement benefit, if applicable, and 3) The member has revoked their participation, if any, in the Deferred Retirement Option Plan pursuant to R.S 11:1456.2. 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 Bank-DROP benefit shall have two portions: a lump-sum portion and a monthly benefit portion. The Back-DROP monthly benefit shall be calculated pursuant to the provisions applicable for service retirement set forth in R.S. 11:1421 through 1423 and subject to conditions set forth therein.

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 - Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the Webster Parish Tax Assessor is required to contribute at an actuarially determined rate. Administrative costs of the Fund are financed through employer contributions. According to state statute, contributions for all employers are actuarially-determined each year. The actuarially-determined employer contribution rate was 5.24% for the year ended September 30, 2018. The actual employer contribution rate was 8% of members' earnings.

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Notes to Financial Statements

December 31, 2018

5. PENSION PLAN (continued)

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

The Webster Parish Tax Assessor's contributions to the System for the years ending December 31, 2018, 2017, and 2016, were \$128,995, \$143,656, and \$166,729, respectively, equal to the required contributions for each year.

Per R.S. 11:1481.2(a), each assessor in the state of Louisiana shall deduct eight percent from the salaries of the assessor and the assessor's employees who are eligible for membership in the Louisiana Assessors Retirement System. Per R. S. 11:1472 2(b), the assessor may elect to pay all or a portion of the contributions per R.S. 11:1481 2(a). The Webster Parish Tax Assessor has elected to pay all contributions required for the assessor and the assessor's employees. The total employees' portion paid for the years ended December 31, 2018, 2017, and 2016 (included in the contributions reported above) were \$64,498 \$65,688 and \$64,671.

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

At December 31, 2018, the Webster Parish Tax Assessor reported a liability of \$358,158 for its proportionate share of the net pension liability of the Plan. The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Assessor's proportion of the net pension liability was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2018, (Plan's measurement date), the Assessor's proportion was 1.842341% which was a decrease of 0.016709% from the proportion measured as of September 30, 2017.

For the year ended December 31, 2018, the Assessor recognized pension expense of \$152,040, representing its proportionate share of the Plan's net expense, including amortization of deferred amounts.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,025	\$ 163,976
Changes of assumptions	459,594	-
Net difference between projected and actual earnings on pension plan investments	-	182,349
Changes in employer's proportion of beg NPL	34,843	20,484
Differences between employer and proportionate share of contributions	2,475	-
Employer contributions subsequent to the measurement date	16,085	-
Total	\$ 540,022	\$ 366,809

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Notes to Financial Statements

December 31, 2018

5. PENSION PLAN (continued)

The Assessor reported a total of \$16,085 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of September 30, 2018, which will be recognized as a reduction in net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

December 31,		
2018	\$	80,134
2019		(14,756)
2020		(1,655)
2021		49,179
2022		43,810
2023		416
Total	\$	<u>157,128</u>

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2018 is as follows:

Valuation Date	September 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	6 years
Investment Rate of Return	6.25%, net of pension plan investment expense, including inflation
Projected Salary Increases	5.75%
Inflation Rate	2.20%
Annuitant and Beneficiary Mortality	RP 2000 Healthy Annuitant Table set forward one year and projected to 2030 for males and females
Active Members Mortality	RP 2000 Employee Table set back four years for males and three years for females
Disabled Lives Mortality	RP 2000 Disabled Lives Mortality Tables set back five years for males and three years for females

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

Asset Class	Long-term expected real rate of return
	2018
Domestic equity	7.50%
International equity	8.50%
Domestic Bonds	2.50%
International bonds	3.50%
Real estate	4.50%
Alternative Assets	6.24%

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Notes to Financial Statements

December 31, 2018

5. PENSION PLAN (continued)

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

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

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

	Discount rate	Assessor's proportionate share of net pension liability
1% decrease	5.25%	\$1,204,638
Current discount rate	6.25%	\$358,158
1% increase	7.25%	(\$367,032)

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

Differences between Expected and Actual Experience:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred outflow of resources of \$27,025 and a deferred inflow of resources in the amount of \$169,976 for the year ended December 31, 2018.

Differences between Projected and Actual Investment Earnings

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earning resulted in a net deferred inflow of \$182,349 for the year ended December 31, 2018

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Notes to Financial Statements

December 31, 2018

5. PENSION PLAN (continued)

Changes in 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 \$459,594 for the year ended December 31, 2018.

Changes in Proportion

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Changes in proportion resulted in a deferred outflow of resources in the amount of \$2,475 for the year ended December 31, 2018.

6. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The Webster Parish Tax Assessor (The Assessor) provides certain continuing health care and life insurance benefits for its retired employees. The Assessor's OPEB Plan is a single-employer defined benefit OPEB plan administered by the Assessor. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Assessor. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 Postemployment Benefits Other Than Pension—Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit.

Benefits Provided. The Webster Parish Tax Assessor provides the full cost of coverage for continuing medical and dental care and life insurance benefits for its retired employees. An employee is eligible to elect medical coverage upon retiring with 25 years of service.

Spouses' coverage is also provided to those who are currently receiving benefits. If the retiree predeceases the spouse, coverage for the surviving spouse continues.

The Assessor pays 100% of the premium for retirees and covered spouses.

Employees covered by benefit terms – At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	6
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	8
Total participants	<u>14</u>

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Notes to Financial Statements

December 31, 2018

6. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

Total OPEB Liability

The Assessor's total OPEB liability of \$2,372,183 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

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

Inflation	2.30%
Salary increases	3.00%
Discount rate	4.10% per anum, compounded annually
Healthcare cost trend rates	Short-term rate for Non-Medicare retirees starts at 4.0% and at 4.7% for Medicare retirees and reflects the ACA Excise Tax effective 2022

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

Mortality rates were based on the following:

Healthy retirement	Sex-distinct RP 2014 Total Dataset Mortality with separate employee, healthy annuitant rates, projected generationally using scale MP-2018
Disability retirement	Sex-distinct RP 2014 Total Dataset Mortality with separate employee, disabled annuitant rates, projected generationally using scale MP-2018

Changes in the Total OPEB Liability

Balance as of December 31, 2017	\$ 1,773,123
Changes for the year:	
Service cost	77,434
Interest on total OPEB liability	59,786
Effect of plan changes	-
Effect of economic/demographic gains or losses	119,819
Effect of assumptions changes or inputs	
Change due to Claims Costs update	769,191
Change due to Trend update	(143,612)
Change due to Mortality update	201,684
Change due to Discount Rate update	(258,130)
Total assumptions changes	569,133
Benefit payments	(227,112)
Balance as of December 31, 2018	\$ <u>2,372,183</u>

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Notes to Financial Statements

December 31, 2018

6. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

Sensitivity of the total OPEB liability to changes in the discount rate—The following presents the total OPEB liability of the Assessor, calculated using the discount rate of 4.10%, as well as what the Assessor's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.10%) or 1 percentage point higher (5.10%) than the current rate.

	1% Decrease 3.10%	Discount Rate 4.10%	1% Increase 5.10%
Total OPEB liability	\$ 2,859,036	\$ 2,372,183	\$ 1,991,432

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

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 2,020,471	\$ 2,372,183	\$ 2,824,851

For the year ended December 31, 2018, the Assessor recognized OPEB expense of \$63,208. At December 31, 2018, the Assessor reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 93,193	\$ -
Changes of assumptions	442,659	-
Employer contributions subsequent to the measurement date	-	-
Total	\$ 535,852	\$ -

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

Year ended December 31	
2019	153,100
2020	153,100
2021	153,100
2022	76,552
2023	-
Thereafter	-

7. LEASES

The Assessor has operating leases of the following nature:

The postage meter is now leased for \$186 paid quarterly. A copier lease for 48-month term ended October 1, 2017, and the lease was renewed for another four years beginning November, 2017, with monthly payments of \$386. The purchase option at the end of the lease is fair market value. Total rent during 2018 for both leases was \$4,596.

The minimum annual commitments under noncancelable operating leases are:

Year	Payments
2019	4,246

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

Notes to Financial Statements

December 31, 2018

8. RISK MANAGEMENT

The Assessor is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and injuries to employees. To handle some risk of loss, the Assessor has workers' compensation insurance for any employee injured on the job and surety bond coverage. No settled claims from these risks have exceeded insurance coverage for the past three years. There are no significant reductions in insurance coverage from the prior year.

9. COOPERATIVE ENDEAVOR AGREEMENTS

Effective November 7, 2000, the Webster Parish Tax Assessor entered into a cooperative endeavor agreement with the Webster Parish Police Jury. In exchange for the use of property owned by the Webster Parish Police Jury for the site of the Webster Parish Tax Assessor's office, the Assessor paid \$40,000 to the Police Jury and agreed to be responsible for all renovations, property and building improvements. In return, the Police Jury is to be responsible for future ordinary maintenance, property insurance and building utilities.

In December, 2015, the Webster Parish Tax Assessor entered into cooperative endeavor agreements with the City of Minden, City of Springhill, Webster Parish Sheriff, Webster Parish Police Jury, Webster Parish E-911, and Homeland Security (Webster Parish Police Jury) to purchase a digital imagery system. The system was purchased during the year ended December 31, 2016.

10. DEFERRED COMPENSATION PLAN

Certain employees of the Webster Parish Tax Assessor participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

11. RELATED PARTY TRANSACTIONS

Procedures, observations, and inquiries did not disclose any related party transactions for the year ended December 31, 2018.

12. COMMITMENTS AND CONTINGENCIES

During 2018, the Webster Parish Tax Assessor was not involved in any litigation nor is he aware of any unasserted claims.

13. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 28, 2019, which is the date the financial statements were available to be issued. The Assessor announced on April 23, 2019, that he will reduce the property taxes dedicated to his office by \$500,000 for 2019.

REQUIRED SUPPLEMENTARY INFORMATION
(PART II)

WEBSTER PARISH TAX ASSESSOR
Mansfield, Louisiana

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive(Negative)</u>
REVENUES				
Property taxes	\$ 1,546,700	\$ 1,546,700	\$ 1,915,307	\$ 368,607
State revenue sharing	100,000	100,000	129,780	29,780
Local government reimbursements	-	-	15,721	15,721
Miscellaneous income	38,000	38,000	15,791	(22,209)
Investment earnings	15,000	15,000	34,850	19,850
TOTAL REVENUES	<u>1,699,700</u>	<u>1,699,700</u>	<u>2,111,949</u>	<u>412,249</u>
EXPENDITURES				
Personal services & related benefits	\$ 1,600,000	\$ 1,600,000	\$ 1,319,107	\$ 280,893
Operating expenses	131,250	131,250	93,029	38,221
Material & supplies	45,000	45,000	28,461	16,539
Travel & other charges	15,000	15,000	22,040	(7,040)
Capital outlays	20,000	20,000	26,884	(6,884)
TOTAL EXPENDITURES	<u>1,811,250</u>	<u>1,811,250</u>	<u>1,489,521</u>	<u>321,729</u>
 NET CHANGE IN FUND BALANCE	 (111,550)	 (111,550)	 622,428	 733,978
 FUND BALANCE				
Beginning of the year	<u>5,951,907</u>	<u>5,951,907</u>	<u>5,951,907</u>	<u>-</u>
End of the year	<u>\$ 5,840,357</u>	<u>\$ 5,840,357</u>	<u>\$ 6,574,335</u>	<u>\$ 733,978</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Louisiana Assessors' Retirement Fund
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

For the Year ended December 31, 2018

Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability
2015	1.765102%	923,721	684,751	134.90%	85.57%
2016	1.839049%	648,944	800,676	81.05%	90.68%
2017	1.859050%	326,209	816,156	39.97%	95.61%
2018	1.842341%	358,158	812,073	44.10%	95.46%

Amounts presented were determined as of the measurement date: September 30.

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

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Louisiana Assessors' Retirement Fund
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS

For the Year ended December 31, 2018

Year	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	92,441	92,441	-	684,751	13.50%
2016	108,091	108,091	-	800,676	13.50%
2017	81,616	81,616	-	816,156	10.00%
2018	64,966	64,966	-	812,073	8.00%

Amounts presented were determined as of the end of the fiscal year.

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

The notes to the financial statements are an integral part of this statement.
 See the accompanying independent auditor's report.

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended December 31, 2018

Total OPEB Liability		
Service cost	\$	77,434
Interest		59,786
Changes of benefit terms		-
Effect of economic/demographic gains or losses		119,819
Changes of assumptions		569,133
Benefit payments		<u>(227,112)</u>
Net change in total OPEB liability		<u>599,060</u>
Total OPEB Liability - beginning		<u>1,773,123</u>
Total OPEB liability - ending	\$	<u><u>2,372,183</u></u>
Covered-employee payroll	\$	848,203
Net OPEB liability as a percentage of covered-employee payroll		279.67%

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

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Notes to Required Supplementary Information
As of and for the Year ended December 31, 2018

Budgetary Information

The Webster Parish Tax Assessor uses the following budget practices:

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the Assessor and amended during the year, as necessary. The budget is established and controlled by the Assessor at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes or amendments to the budget must be approved by the Assessor.

Formal budgetary integration is employed as a management control device during the year, and encumbrance accounting is not used by the Assessor. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts. No amendments to the budget were made during the year.

The Webster Parish Tax Assessor's budget is prepared in accordance with accounting principles accepted in the United States of America. The Webster Parish Tax Assessor's budget is adopted annually on the modified accrual basis of accounting.

Louisiana Revised Statute (LSA-R.S.) 39:1311 states that if there is a five percent or greater shortage in revenue or a five percent or greater overage in expenditures, the governing authority must adopt a budget amendment. The Assessor is in compliance with the Local Government Budget Act R.S. 39:1301-14 and the budget requirements of LSA-R.S. 39:34.

Pension Information

Changes of Benefit Terms

There were no changes of benefit terms for the year ended December 31, 2018.

Changes of Assumptions

There were no changes of benefit assumptions for the year ended December 31, 2018.

Schedule of Changes in Net OPEB Liability and Related Ratios

Changes of Benefit Terms

An employee becomes eligible to elect medical coverage upon retiring with 25 years of service.

Changes of Assumptions

The discount rate increased to 4.10% for the year ended December 31, 2018 from 4.00% the previous year.

OTHER SUPPLEMENTAL INFORMATION

WEBSTER PARISH TAX ASSESSOR

Minden, Louisiana

**Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the year ended December 31, 2018**

Morris G. Guin, Assessor

Purpose:	2018
Salary	\$ 144,976
Benefits- Insurance	21,945
Benefits- retirement	23,196
Deferred Compensation match contributions	12,000
Other benefits	3,018
Payroll taxes	2,330
Car Allowance	21,746
Dues	705
Per diem travel	-
Travel - lodging	-
Continuing professional education fees	-
Cell phone	1,117
Total	\$ <u>231,033</u>

Supplemental information
See the accompanying independent auditor's report.

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS



Dees Gardner, Certified Public Accountants, LLC

Deborah D. Dees, CPA/CFF

Maura Dees Gardner, CPA, CFE

122 Jefferson Street

Mansfield, Louisiana

318-872-3007

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*

Webster Parish Tax Assessor
Minden, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Webster Parish Tax Assessor as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Webster Parish Tax Assessor's basis financial statements and have issued our report thereon dated May 28, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44.6.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
May 28, 2019

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Schedule of Findings and Responses
For the Year ended December 31, 2018

Part I. Summary of Auditor's Results

INDEPENDENT AUDITOR'S REPORT:

We have audited the basic financial statements of the Webster Parish Tax Assessor as of and for the year ended December 31, 2018, and have issued my report thereon dated May 28, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2018, resulted in an unmodified opinion.

REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER THE FINANCIAL REPORTING:

Internal Control

Material Weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant Deficiencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Compliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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A management letter was not issued.

FEDERAL AWARDS Not applicable

Part II. Findings relating to the Financial Statements which are required to be Reported under *Government Auditing Standards*.

FINDINGS RELATED TO INTERNAL CONTROL NONE

FINDINGS RELATED TO COMPLIANCE NONE

WEBSTER PARISH TAX ASSESSOR
Minden, Louisiana

Schedule of Prior Year Findings
For the Year ended December 31, 2018

2017-01 Budget violation. Resolved.

OTHER REPORT



Dees Gardner, Certified Public Accountants, LLC

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Independent Accountant's Report On Applying Agreed-Upon Procedures

To the Honorable Morris M. Guin,
Webster Parish Assessor and the
Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

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

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

b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Written policies and procedures were obtained and address the functions noted above except as to how vendors are added to the vendor list.

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

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

d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

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

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

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

Written policies and procedures were obtained and were found to address the functions noted above except as to standard terms and conditions, legal review, and a process for monitoring.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

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

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

Written policies and procedures were obtained and were found to address the functions noted above except as to dollar thresholds by category of expense.

- 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.

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

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

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

Management Response: *Management will review additional revisions to current policies and procedures.*

Board or Finance Committee

2. No prior year exception. Section not reviewed.

Bank Reconciliations

3. No prior year exception. Section not reviewed.

Collections

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

A listing of deposits sites and management's representation that the listing is complete were obtained. The only site of the entity selected for review.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures

relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations and management's representation that the listing is complete were obtained. The only location of the entity selected for review. Entity does not have policies and procedures for collections.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

Two deposits for each of the bank accounts selected under procedure #3 were randomly selected and supporting documentation was obtained.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

Based on inquiries of entity personnel, the entity procedure is to make deposits weekly. This practice was observed in reviewing documentation for selected collections.

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

No exceptions were noted as a result of this procedure.

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

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

A listing of payment processing locations and management's representation that the listing is complete were obtained. The only location of the entity selected for review.

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

A listing of employees involved with non-payroll purchasing and payment functions and management's representation that the listing is complete were obtained.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

The employee responsible for processing payments is not prohibited from adding/modifying vendor files and no other employee is responsible for reviewing changes to vendor files.

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

No exceptions were noted as a result of this procedure.

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

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

No exceptions were noted as a result of this procedure.

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

Two disbursements reviewed, which were for the same vendor, were paid with a check that covered two invoices for that vendor. In both cases, documentation of approval is only found on one of the two invoices. It should be noted that in both cases, the checks paying the invoices were signed by the duly elected Assessor.

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

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

A listing of all active credit cards, bank debit cards, fuel cards, P-Cards, and management's representation that the listing is complete were obtained.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

No exceptions were noted as a result of applying this procedure.

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

No exceptions were noted as a result of applying this procedure.

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

One of the selected transactions was for a Fedex shipping charge. The documentation was a shipping label showing the shipment was to be charged to an account of the entity. The labels do not provide the dollar amount of the shipment. An invoice or receipt would have to be obtained subsequently thru the online account. That documentation was not found. No other exceptions were noted as a result of applying this procedure.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions were noted as a result of applying this procedure.

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

Section not applicable to selected reimbursements.

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

No exceptions were noted as a result of applying this procedure.

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

No exceptions were noted as a result of applying this procedure

Contracts

15. No prior year exception. Section not reviewed.

Payroll and Personnel

16. No prior year exception. Section not reviewed.

17. No prior year exception. Section not reviewed.

18. No prior year exception. Section not reviewed.

19. No prior year exception. Section not reviewed.

Ethics

20. No prior year exception. Section not reviewed.

Debt Service

21. No prior year exception. Section not reviewed.

22. No prior year exception. Section not reviewed.

Other

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

No misappropriations of public funds and assets during the fiscal period were reported by the entity.

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

No exceptions were noted as a result of applying this procedure.

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

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

Dees Gardner, Certified Public Accountants, LLC

Mansfield, LA
May 28, 2019