JEFFERSON DAVIS PARISH ASSESSOR
Jennings, Louisiana
Annual Financial Statements
As of and for the Year Ended December 31, 2022

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Mike B. Gillespie

Certified Public Accountant

A Professional Accounting Corporation

Mike B. Gillespie, CPA, CGMA

Eric C. Gillespie, CPA

414 East Nezpique Street
P.O. Box 1347
Jennings, LA 70546
Telephone: (337) 824-7773
Fax: (337) 824-7774

INDEPENDENT AUDITOR'S REPORT

To the Honorable Donald G. Kratzer
Jefferson Davis Parish Assessor
Jennings, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Jefferson Davis Parish Assessor (Assessor), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the table of contents.

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 information of the Assessor, as of December 31, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Assessor and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note L to the financial statements, the Assessor adopted new accounting guidance contained in Government Accounting Standards Board Statements No. 87, *Leases*, for the year ended December 31, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Assessor's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Assessor's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Assessor's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison and pension related information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Assessor's basic financial statements. The accompanying other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2023, on our consideration of the Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Assessor's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Assessor's internal control over financial reporting and compliance.

Mike B. Gillespie, CPA, APAC
Jennings, Louisiana
June 14, 2023

BASIC FINANCIAL STATEMENTS

JEFFERSON DAVIS PARISH ASSESSOR
Governmental Funds Balance Sheet / Statement of Net Position (Deficit)
December 31, 2022 **Statement A**

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	$ 292,639		292,639
Due from other governments:			
Ad valorem taxes	633,505		633,505
State revenue sharing	6,667		6,667
Capital and Right-to-use assets, net		11,488	11,488
Total Assets	932,811	11,488	944,299
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows-pension	-	476,296	476,296
Total Deferred Outflows of Resources	-	476,296	476,296
LIABILITIES			
Liabilities:			
Accounts payable	1,293	-	1,293
Long-term obligations:			
Due within one year:			-
Lease Liability	-	1,582	1,582
Due in more than one year:			
Net pension liability	-	415,916	415,916
Total Liabilities	1,293	417,498	418,791
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenues	633,505		633,505
Deferred state revenue sharing revenues	6,667		6,667
Deferred inflows-pension	-	50,352	50,352
Total Deferred Inflows of Resources	640,172	50,352	690,524
FUND BALANCE / NET POSITION			
Unassigned	291,346	(291,346)	-
Total Fund Balances	291,346	(291,346)	-
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	$ 932,811		
NET POSITION			
Investment in capital assets		11,488	11,488
Unrestricted		299,792	299,792
Total Net Position (Deficit)		$ 311,280	311,280

See accompanying notes and accountant's report.

JEFFERSON DAVIS PARISH ASSESSOR
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2022 **Statement B**

Total Ending Fund Balances - Governmental Funds			$	291,346
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.				
Costs of capital assets	$	172,883		
Accumulated depreciation		(162,721)		
Costs of right-of-use lease assets		8,744		
Accumulated depreciation		(7,418)		
				11,488
Long-term liabilities are not due and payable in the current period and, therefore are not reported in governmental funds. Long-term liabilities consist of:				
Net Pension Liaiblity		(415,916)		
Lease Liability		(1,582)		
				(417,498)
Deferred outflow and inflow of resources associated with pension and retirement are not current financial resources or uses and therefore are not reported in the governmental funds.				
Deferred outflow amounts on pension				476,296
Deferred inflow amounts on pension				(50,352)
Net Position			$	311,280

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH ASSESSOR
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances / Statement of Activities
For the Year Ended December 31, 2022 **Statement C**

	General Fund	Adjustments	Statement of Activities
EXPENDITURES/ EXPENSES			
General governmental-taxation:			
Personal services and related benefits	$ 518,766	65,042	583,808
Operating services	57,608	-	57,608
Materials and supplies	2,384	-	2,384
Travel and other charges	3,132	-	3,132
Debt service:			
Principal - lease	1,829	(1,829)	-
Interest	103		103
Capital Outlay	1,390	(1,390)	-
Amortization expense		1,748	1,748
Depreciation expense	-	4,171	4,171
Total Expenditures / Expenses	585,212	67,742	652,954
PROGRAM REVENUES			
Fees, fines and other charges for service	331	-	331
Capital grants	-	-	-
Net Program Expenses	584,881	67,742	652,623
GENERAL REVENUES			
Ad valorem taxes	604,155	-	604,155
Intergovernmental revenues:			
Compensation from taxing bodies	13,594	-	13,594
State revenue sharing	10,000	-	10,000
Parish contribution to retirement system	79,318	14,887	94,205
Interest earned	466	-	466
Miscellaneous	611		611
Total General Revenues	708,144	14,887	723,031
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	123,263	(123,263)	-
CHANGE IN NET POSITION	-	70,408	70,408
FUND BALANCE / NET POSITION (DEFICIT):			
Beginning of the Year, as previously reported	168,083	73,126	241,209
Prior period adjustment -due to accounting change	-	(337)	(337)
Beginning of the Year, as restated	168,083	72,789	240,872
End of the Year	$ 291,346	19,934	311,280

See accompanying notes and accountant's report.

JEFFERSON DAVIS PARISH ASSESSOR
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2022 **Statement D**

Total Net Change in Fund Balance - Governmental Funds		$ 123,263
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period:		
Depreciation expense	(4,171)	
Capital outlays	1,390	
Amortization expense	(1,748)	
		(4,529)
Long-term proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Post-employment benefits are not reported in governmental fund financial statements. The net amount of these transactions for the current year were as follows:		
Payments to lease liability		1,829
In the statement of activities pension expense is based on proportionate share computations based on changes in total net pension liability. In the governmental funds, expenditures for pension are measured by the amount of financial resources used (essentially, the employer contribution amounts paid).		(50,155)
Change In Net Position of Governmental Activities		$ 70,408

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The accompanying notes are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

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

The assessor's office is located in the Jefferson Davis Parish Courthouse in Jennings, Louisiana. The assessor employs five employees, including four deputies. In accordance with Louisiana law, the assessor bases real and movable property assessments on conditions existing on January 1st 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.

At December 31, 2022, there are 37,111 real property, and movable property, and public service property assessments totaling $108,314,304 and $58,563,900 and $110,994,940 total value, respectively. This represents an increase of assessments totaling $12,404,435 from the prior year, caused primarily by the reassessment of properties throughout the parish.

1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

For financial reporting purposes, the Assessor's financial statements include all funds that are controlled by the Assessor as an independently elected parish official.

The Assessor is not considered fiscally dependent on the Jefferson Davis Parish Police Jury (Police Jury). As the governing authority of the Parish, for reporting purposes, the Police Jury is the financial reporting entity for Jefferson Davis Parish. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Because the Police Jury does not appoint the Assessor, does not provide funding (other than the use of facilities); or otherwise have control over the Assessor, the Assessor has determined that the office is not a component unit of the Police Jury. The accompanying financial statements present information only on the funds maintained by the Assessor and do not present information on the Police Jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity of Jefferson Davis Parish.

C. FUND ACCOUNTING

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

Governmental Funds

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

> **General Fund** – the primary operating fund of the assessor, as provided by Louisiana Revised Statue 47:1906, and it accounts for all financial resources except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the assessor's policy. The General Fund is always a major fund.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statement (FFS)

The amounts reflected in the General Fund of Statements A and C are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the assessor's operations.

The amounts reflected in the General Fund of Statements A and B use the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The assessor considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practiced in recording revenues and expenditures:

Revenues
Governmental fund revenues resulting from exchange transactions are recognized in the year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or is expected to be collected soon enough thereafter to be used to pay *liabilities* of the current year. For this purpose, the Assessor considers revenues to be available if they are collected within 60 days of the end of the current year. Ad valorem taxes and the related state revenue sharing are recognized as revenue in the period for which being levied to finance the budget, unless collected before year end, thus the 2022 assessed property taxes, net of collections in current year, which are being levied to finance the 2023 budget will be recognized as revenue in 2023. The 2022 tax levy, net of collections in current year, has been recorded as deferred revenue in the 2022 financial statements. Substantially all other revenue items are considered to be measurable and available only when cash is received by the government.

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

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Assessor as a whole. These statements include all the financial activities of the Assessor. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting form exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GAS Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions.*

Program Revenues – Program revenues included in the column labeled Statements of Activities (Statement B) are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the assessor's general revenues.

E. DEPOSITS AND INVESTMENTS

Under state law, the assessor may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. CAPITAL ASSETS

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Government-wide Financial Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are capitalized at historical cost or estimated historical cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Assessor maintains a threshold level of $500 or more for capitalizing capital assets. Additions, improvement and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

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

Description	Estimated Lives
Motor vehicle	7
Telephone system	10
Office equipment and furniture	5

Amortization of the right-to-use leased assets is computed by the straight-line method over the estimated contact period.

No interest costs were incurred during the year therefore no interest was charged to expense and no interest was capitalized.

In the fund financial statements, fixed assets used in governmental fund operations are accounting for as capital outlay expenditures of the governmental fund upon acquisition.

G. COMPENSATED ABSENCES

The Assessor has the following policy relating to vacation and sick leave:

Full time employees accrue two weeks of vacation leave per year. After twenty years of service employees accrue three weeks of vacation. After twenty-five years of service, employees accrue four weeks of vacation. Vacation leave must be used in the year it is accrued, unless approval is obtained prior to the end of the year to carry over unused leave.

Employees are not paid for unused vacation leave. At December 31, 2022, employees of the assessor had accumulated no employee leave benefits.

Employees are allowed sick leave when ill. While sick leave is not limited, the assessor reserves the right to substantiate the illness or require the employee to substantiate the illness. Employees are not allowed to accumulate sick leave.

H. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets the statement of net position will sometimes report 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 periods(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Assessor has various deferred amounts associated with pension and retirement reported in the government-wide statement of net position that qualify for reporting in this category. See pension/ retirement footnote for further details regarding the deferred amounts associated with pension. No deferred outflows of resources affect the governmental funds financial statements in the current year.

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Assessor has several of items that qualify for reporting in this category. One is deferred property tax revenues and state revenue sharing revenues assessed in 2022 but levied to finance the Assessor's 2023 expenditures. The Assessor will not recognize the related revenues until 2023 and they are reported in both the statement of net position and the balance sheet. Other items that qualify for reporting in this category are related to pension amounts. See the pension/ retirement footnote for further details of these items.

I. FUND EQUITY

Fund Financial Statements

Governmental funds can report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form- prepaid items or inventories; or (b) legally or contractually required to be maintained intact. The spendable portion of the fund balance can be comprised of the remaining four classifications: restricted, committed, assigned, and unassigned defined as follows:

Restricted fund balance- This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance- These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the organization's highest level of decision-making authority.

Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance- This classification reflects the amounts constrained by the organization's "intent" to be used for specific purposes but are neither restricted nor committed. The Assessor has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.

Unassigned fund balance- This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Flow Assumptions - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Assessor's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Assessor's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

Government-wide Financial Statements

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Equity on the government-wide financial statements is classified as net position and displayed in three categories:

Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by the balances of deferred outflows of resources related to those assets.

Restricted net position – Net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Assessor's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – 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 both restricted and unrestricted net position are available for use, it is the Assessor's policy to use restricted net position first, then unrestricted net position as they are needed.

J. 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.

K. Pension/Retirement

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana Assessor's Retirement Fund and Subsidiary (LARFS), and additions to/deductions from LARFS' fiduciary net position have been determined on the same basis as they are reported by LARFS. The pension plan's fiduciary net position was determined using the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions, for which the employer allocations are based, are recognized in the period in which the employee is compensated for services performed. Investments are reported at fair value.

L. **Accounting Pronouncements**

During the fiscal year ended December 31, 2022, the Assessor implemented GASB Statement No. 87, Leases. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract.

The following restatement of beginning net position was required:

Net Position, Beginning	$	241,209
Prior Period Adjustment – Adoption of GASB 87		(337)
Net Position, Beginning, restated	$	240,872

In notes 4 and 11, prior period balances of lease assets and lease liabilities, respectively, were restated.

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage
Assessment District	2.51	2.51

Property taxes are assessed for the calendar year, become due on November 15th of each year, and become delinquent on December 31st.
The taxes generally collected in December of the current year and January and February of the ensuing year. As indicated in Note 1, taxes levied November 2022 and the related state revenue sharing are for budgeted expenditures in 2023 and will be recognized as revenue in 2023.

Taxes receivable at December 31, 2022, were $633,505 net of allowance for uncollectible taxes of $10,462.

3. DEPOSITS AND INVESTMENTS

Bank Deposits:
The year end balances of deposits are as follows:

Deposit Type	Bank Balances	Reported Amount
Cash –demand deposits	$ 304,914	$ 292,639
Totals	$ 304,914	$ 292,639

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

Custodial credit risk is the risk that in the event of a bank failure, the Assessor's deposits may not be returned to it. The Assessor's deposit policy for custodial credit risk requires that all uninsured deposits must be secured with acceptable collateral as defined in LRS 39:1221 valued at market. As of December 31, 2022, the Assessor had deposits (collected bank balances) totaling $304,914. As of yearend all deposits were either insured by FDIC coverage or collateralized by securities held by the pledging financial institution's agent in the name of the Assessor.

4. CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance Beginning	Additions	Dispositions	Balance Ending
Capital assets being depreciated:				
Office equipment & furniture	$ 171,493	1,390	-	172,883
Less: accumulated depreciation	(158,550)	(4,171)	-	(162,721)
Total Capital assets being depreciated, net	$ 12,943	(2,781)	-	10,162
Right-to-use Leased Assets:				
Office equipment[1]	8,744	-	-	8,744
Less: accumulated amortization[2]	(5,670)	(1,748)	-	(7,418)
Total right-of-use leased assets being amortized, net	3,074	(1,748)	-	1,326
Capital and Right-to-use leased assets, net	16,017	(4,529)	-	11,488

[1] Due to implementation of GASB 87, leases, the balance at December 31, 2021 is restated.

[2] Due to implementation of GASB 87, leases, the balance at December 31, 2021 is restated.

5. PENSION PLAN

General Information about the Pension Plan

The employer pension schedules for the Louisiana Assessor's Retirement Fund and Subsidiary (LARFS) are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan, and additions to/deductions from 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 are reported at fair value.

Plan Description and Eligibility Requirements

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

Benefits Provided

A. Regular Plan

Employees whose first employment making them eligible for membership began prior to October 1, 2006, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 36 consecutive months, multiplied by their total years of service, not to exceed 100% of final compensation.

Employees who become members on or after October 1, 2006 but before October 1, 2013, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation.

Employees whose first employment making them eligible for membership began on or after October 1, 2013 but who have less than thirty year of service, are entitled to annual pension benefits equal to three percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation.

Employees whose first employment making them eligible for membership began on or after October 1, 2013 and have thirty or more years of service, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their years of service, not to exceed 100% of monthly average final compensation.

Employees may elect to received their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to the employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. Employees may elect to receive the actuarial equivalent of their retirement allowance in a reduced retirement payable throughout life with the following options:

1. If the member dies before he has received in retirement payments purchased by his contributions the amount he had contributed to the fund before his retirement, the balance shall be paid to his legal representative or to such person as he shall nominate by written designation.
2. Upon the member's death, his reduced retirement allowance shall be continued throughout the life of and paid to his surviving spouse.
3. Upon the member's death, one-half of his reduced retirement allowance shall be continued throughout the life of and paid to his surviving spouse.
4. The member may elect to receive some other board-approved benefit or benefits that together with the reduced retirement allowance shall be of equivalent actuarial value to his retirement allowance.

B. Survivor Benefits

The plan provides benefits for surviving spouses and minor children under certain conditions which are outlined in the Louisiana Revised Statues.

C. Disability Benefits

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

1. A sum equal to the greater of forty-five percent (45%) of final average compensation, or the member's accrued retirement benefit at the time of termination of employment due to disability; or

2. The retirement benefit which would be payable assuming accrued creditable service plus additional accrued service, if any, to the earliest normal retirement age based on final average compensation at the time of termination of employment due to disability.

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

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

In lieu of receiving a normal retirement benefit pursuant to R.S. 11:1421 through 1423, an eligible member of the Fund may elect to retire and have their benefits structured, calculated, and paid as provided in R.S. 11:1456.1.

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

1. The member has accrued more service credit than the minimum required for eligibility for a normal retirement benefit.
2. The member has attained an age that is greater than the minimum required for eligibility for a normal retirement benefit, if applicable.
3. The member has revoked their participation, if any, in the Deferred Retirement Option Plan pursuant to R.S. 11:14568.2.

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

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

1. Creditable service shall not include service credit reciprocally recognized pursuant to R.S. 11:142.
2. Accrued service at retirement shall be reduced by the Back-DROP.
3. Final average compensation shall be calculated by excluding all earnings during the Back-DROP period.
4. Contributions received by the Fund during the Back-DROP period and any interest that has accrued on employer and employee contributions received during the period shall remain with the Fund and shall not be refunded to the employee or to the employer.
5. The member's Back-DROP monthly benefit shall be calculated based upon the member's age and service and the Fund provisions in effect on the last day of creditable service before the Back-DROP period.
6. At retirement, the member's maximum monthly retirement benefit payable as a life annuity shall be equal to the Back-DROP monthly benefit.
7. The member may elect to receive a reduced monthly benefit in accordance with the options provided in R.S. 11:1423 based upon the member's age and the age of the member's beneficiary as of the actual effective date of retirement. No change in the option selected or beneficiary shall be permitted after the option is filed with the Board of Trustees.

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

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

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 / Funding

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

Administrative costs of the Fund are financed through employer contributions. According to state statute, contributions for all employers are actuarially determined each year. The actuarially-determined employer contribution rate was 2.11% for the year ended September 30, 2022. The actual employer contribution rate was 5.00% of members' earnings for the year ended September 30, 2022. The Assessor's contributions to the system for the year ended September 30, 2022 totaled $14,989 (year ended December 31, 2021 totaled $27,470).

The Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state, except for Orleans Parish which is one percent, as well as a state revenue sharing appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee. The Assessor recognized $94,205 of non-employer contributions for the year ended December 31, 2022.

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

At December 31, 2022, the Assessor reported a liability of $415,916 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of September 30, 2022 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2022, the Agency's proportion was 0.627862%, which was a decrease of 0.122969% from its proportion measured as of September 30, 2021.

For the year ended December 31, 2022, the Agency recognized pension expense of $157,727 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, $215.

At December 31, 2022, the Assessor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 13,209	$ 44,626
Changes of assumptions	142,600	-
Net difference between projected and actual earnings on pension plan investments	309,238	-
Changes in proportion and difference between Employer contributions and proportionate share of contributions	8,719	5,726
Employer contribution subsequent to the measurement date	2,530	-
Total	$ 476,296	$ 50,352

The $2,530 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2023	101,873
2024	75,792
2025	93,288
2026	153,021
2027	(561)
Thereafter	-

Deferred outflow/inflow resource amounts, except for net difference between projected and actual earnings on pension plan investments, are being 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. Deferred amounts related to net difference between projected and actual earnings on pension plan investments is being recognized in pension expense/(benefit) using the straight-line method amortization method over a closed five-year period.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of September 30, 2022 are as follows:

Valuation Date	September 30, 2022
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Expected Remaining Service Lives	6 years
Investment rate of return	5.50%, net of pension plan investment expense, including inflation.
Projected salary increases	5.25%
Inflation rate	2.10%
Active member mortality	Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale.
Annuitant and beneficiary mortality	Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale.
Disabled Annuitant Mortality	Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale.

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 of 2.5% and an adjustment for the effect of rebalancing/diversification. The resulting long-term expected arithmetic nominal return was 8.37% as of September 30, 2022, are summarized in the following table.

Asset Class		Long-Term Expected Real Rate of Return
Domestic Equity		7.50%
International Equity		8.50%
Domestic Bonds		2.50%
International Bonds		3.50%
Real Estate		4.50%
Alternative Assets		5.87%

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

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2022 is 6 years.

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

The following presents the net pension liability of the Fund calculated using the discount rate of 5.50%, 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 (4.50%) or one percentage point higher (6.50%) than the current discount rate (assuming all other assumptions remain unchanged):

	1% Decrease 4.50%	Current Discount Rate 5.50%	1% Increase 6.50%
Net Pension Liability (Asset)	$ 787,823	$ 415,916	$ 99,999

Pension Plan Fiduciary Net Position

The Louisiana Assessors' Retirement Fund and Subsidiary has issued a stand-alone audit report on their financial statements for the year ended September 30, 2022. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov, or by contacting the Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

Payables to the Pension Plan

As of December 31, 2022, the Assessor owed $0 in legally required contributions to LARFS.

6. EXPENDITURES NOT INCLUDED IN THE FINANCIAL STATEMENTS

Certain operating expenditures of the assessor's office are paid by the parish police jury and are not included in the accompanying financial statements. These expenditures are summarized as follows:

The assessor's office is located in the Jefferson Davis Parish Courthouse. The Jefferson Davis Police Jury pays for the upkeep and maintenance of the parish courthouse. These expenditures are not reflected in the accompanying financial statements.

7. LITIGATION AND CLAIMS

As of the date of this report, the assessor is not involved in any litigation and is not aware of any pending claims that could have a material impact on these financial statements.

8. RISK MANAGEMENT

The Assessor is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Assessor carries commercial insurance for workers compensation liability. All other covered risks of loss are managed by commercial insurance provided by the Police Jury. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

9. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had actual expenditures over budgeted appropriations for the year ended December 31, 2022:

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
General				

11. LONG-TERM DEBT AND OBLIGATIONS

Summary of the long-term liability transactions during the year:

		Balance Beginning	Additions	Reductions	Balance Ending	Due Within One Year
Other Obligations:						
Lease liability[1]	$	3,411	-	(1,829)	1,582	1,582
Net pension liability		-	415,916	-	415,916	-
Total long-term liabilities	$	3,411	415,916	(1,829)	417,498	1,582

[1] Due to implementation of GASB 87, leases, the balance at December 31, 2021 is restated.

The Assessor has entered a lease agreement involving printing and imaging equipment. The total of the Assessor's right-to-use leased assets are recorded at a cost of $8,744 less accumulated amortization of $7,418.

The future minimum lease payments under lease agreements are as follows:

Year Ending December,	Leases: Principal	Leases: Interest	Leases: Total
2023	$ 1,581	$ 29	$ 1,610
2024	-	-	
2025	-	-	
2026	-	-	-
2027	-	-	-
2028-2032	-	-	-
2033-2037	-	-	-
2038-2042	-	-	-
	$ 1,581	$ 29	$ 1,610

12. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

Retirement plan payments in the amount of $79,318 were made by the Sheriff, acting in his capacity as Ex Officio Tax Collector, to The Louisiana Assessor's Retirement Fund on behalf of the Assessor. These remittances represent a portion of the ad valorem taxes and state revenue sharing collections which are statutorily set aside for payment to The Louisiana Assessor's Retirement Fund on behalf of the Assessor. These on-behalf payments have been recorded in the accompanying financial statements, in accordance with GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* as revenues and expenditures in the General Fund.

13. SUBSEQUENT EVENTS

The Assessor evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through June 14, 2023, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

JEFFERSON DAVIS PARISH ASSESSOR
GOVERNMENTAL FUND - GENERAL FUND **Schedule 1**
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original	Final	Actual Amounts (Budgetary Basis) (See Note A)	Variance Final Budget Positive (Negative)
REVENUES				
Fees, fines and other charges for service	$ 1,200	325	$ 331	$ 6
GIS Initiative	-	-		-
Ad valorem taxes	676,650	604,100	604,155	55
State revenue sharing	10,000	10,000	10,000	-
Compensation from taxing bodies	14,500	13,600	13,594	(6)
Interest earned	350	450	466	16
Miscellaneous Income	-	-	611	611
Total Revenues	702,700	628,475	629,157	682
EXPENDITURES				
Culture and recreation:				
Salaries and related benefits	500,000	442,000	439,449	2,551
Operating services	75,500	60,625	56,315	4,310
Materials and supplies	3,200	2,400	2,384	16
Travel and other charges			3,131	(3,131)
Debt service				-
Principal - lease			1,829	(1,829)
Interest			103	(103)
Capital outlay	-	1,400	1,390	10
Total Expenditures	578,700	506,425	504,601	1,824
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	124,000	122,050	124,556	2,506
FUND BALANCES BEGINNING OF YEAR	89,966	154,231	168,083	13,852
FUND BALANCES END OF YEAR	$ 213,966	$ 276,281	$ 292,639	$ 16,358

See accompanying note to budgetary comparison schedule.

JEFFERSON DAVIS PARISH ASSESSOR
Notes to Budgetary Comparison Schedule
For the Year Ended December 31, 2022

A. BUDGETARY PRACTICES

General Budget Practices The Jefferson Davis Parish Assessor follows the following procedures in establishing budgetary data reported in the accompanying budgetary comparison schedule:

Pursuant to the Louisiana Government Budget Act (LSA-RS 39:1301-1314), the Jefferson Davis Parish Assessor is required to adopt an annual budget no later than fifteen days prior to the beginning of each fiscal year.

Each year prior to December 15th, the Jefferson Davis Parish Assessor develops a proposed annual budget for the general fund. The budget includes proposed expenditures and the means of financing them. The proposed budget is advertised as available for public inspection at least 10 days prior to final adoption simultaneously with a notice of the date of public hearing. The public hearing is conducted during an open meeting in order to obtain public input. The budget is subsequently adopted by the Assessor through a formal budget resolution.

General fund appropriations (unexpended budget balances) lapse at end of fiscal year.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the object level. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments. All budget revisions are approved by the Assessor.

Budget Basis of Accounting The governmental fund budgets are prepared on the cash basis of accounting. Legally, the Assessor cannot budget total expenditures and other financing uses which would exceed total budgeted revenues and other financing sources including beginning fund balance. State statutes require the Assessor to amend the budget to prevent overall projected revenues, expenditures, or beginning fund balance from causing an adverse budget variance of five percent or more in an individual fund. The Assessor approves budgets at the object level and management is allowed to transfer amounts between line items within an object.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL MAJOR FUNDS

The following budgeted major funds had actual expenditures over budgeted expenditures for the fiscal year:

Fund	Final Budget	Actual	Unfavorable Variance
General	$	$	$

Reason for unfavorable variance: Not applicable

C. BUDGET BASIS TO ACTUAL GAAP RECONCILIATION

The following reconciles the amount shown as excess of receipts over disbursements on the non-GAAP budget basis **(page 30)**, with the amount shown on the GAAP basis **(page 7)**:

Excess (Deficiency) of revenues and other sources over Expenditures and other uses (Non-GAAP Budgetary Basis) – **page 30**	$	124,556
Add:		
Current-year receivables		640,172
Prior-year payables and deferred revenues		557,757
Less:		
Prior-year receivables		(557,757)
Current-year payables and deferred revenues		(641,465)
Excess (Deficiency) of revenues and other sources over expenditures and other uses (GAAP Basis) – **page 7**	$	123,263

The reconciliation of amounts reported on **page 30** as fund balance at end of year to amounts reported as fund balance on **page 5** is as follows:

Fund balance at end of year (Non-GAAP Budgetary Basis) – **page 30**	$	292,639
Revenue accruals		-
Deferred Revenues		-
Expenditure accruals		(1,293)
Fund balance (GAAP Basis) – **page 5**	$	291,346

Schedule 2

JEFFERSON DAVIS PARISH ASSESSOR
Required Supplementary Information
Additional Pension/ Retirement Information
Schedule of Employer's Proportionate Share of Net Pension Liability
For the Year Ended December 31, 2022*

Louisiana Assessors Retirement Fund:

Year Ending September 31st	Employer's proportion of 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-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.627862%	$415,917	$299,776	138.74%	87.25%
2021	0.750831%	(246,844)	347,576	(71.02%)	106.48%
2020	0.759147%	115,979	436,220	26.59%	96.79%
2019	0.779016%	205,490	346,576	59.29%	94.12%
2018	0.867941%	168,731	382,576	45.39%	95.46%
2017	0.871441%	152,913	382,576	39.97%	95.61%
2016	0.860801%	303,750	374,773	81.05%	90.68%
2015	0.751949%	393,512	315,960	124.54%	85.57%

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

*The amounts presented have a measurement date of September 30th.

Schedule 3

JEFFERSON DAVIS PARISH ASSESSOR
Required Supplementary Information
Additional Pension/ Retirement Information
Schedule of Employer Contributions
For the Year Ended December 31, 2022

Louisiana Assessors Retirement Fund:

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2022	$ 13,365	$ 13,365	$ -	288,976	4.63%
2021	27,470	24,979	-	343,376	7.27%
2020	27,918	27,918	-	348,976	8.00%
2019	27,918	27,918	-	348,976	8.00%
2018	29,742	29,742	-	371,776	8.00%
2017	36,345	36,345	-	382,576	9.50%
2016	47,895	47,895	-	379,576	12.62%
2015	44,522	44,522	-	329,791	13.50%

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

Schedule 4

JEFFERSON DAVIS PARISH ASSESSOR
Required Supplementary Information
Additional Pension/ Retirement Information
Notes to Required Supplementary Information
For the Year Ended December 31, 2022

Louisiana Assessors Retirement Fund:

Changes of Benefit Terms. None.

Changes of Assumptions. There were no changes of benefit assumptions for the year ended December 31, 2022.

OTHER SUPPLEMENTAL INFORMATION

JEFFERSON DAVIS PARISH ASSESSOR **Schedule 5**

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer

For the Year Ended December 31, 2022

Agency Head Name: Donald Kratzer

Salary	$	144,976
Benefits- insurance		2,282
Benefits- retirement		6,705
Benefits- Medicare		2,461
Reimbursements		304
Training and Education		370
Uniform		45
Public Official Bonding		100
Auto Allowance		21,746
	$	178,989

OTHER REPORTS

Mike B. Gillespie

Certified Public Accountant

A Professional Accounting Corporation

Mike B. Gillespie, CPA, CGMA

Eric C. Gillespie, CPA

414 East Nezpique Street
P.O. Box 1347
Jennings, LA 70546
Telephone: (337) 824-7773
Fax: (337) 824-7774

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 *GOVERNMENTAL AUDITING STANDARDS*

To the Honorable Donald G. Kratzer
Jefferson Davis Parish Assessor
Jennings, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund information of the Jefferson Davis Parish Assessor (Assessor), a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements, and have issued my report thereon dated June 14, 2023.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a material weakness. This material weakness is listed as finding 2014-1.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 my audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Jefferson Davis Parish Assessor's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Assessor's response to the findings identified in our audit and described in the accompanying schedule of current year findings and responses. The Assessor's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Assessor's internal control or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Assessor's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Mike B. Gillespie, CPA, APAC
Jennings, Louisiana
June 14, 2023

MANAGEMENTS SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2022

SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2014-1 Internal Control

Criteria: An important element in the design of an internal accounting control system that safeguards assets and reasonably ensures the reliability of the accounting records is the concept of segregation of duties. A good system of internal control provides for a proper segregation of the accounting functions. No one person should be assigned duties that would allow that person to commit an error or perpetrate fraud and to conceal the error or fraud. As an example, the same person should not be responsible for any two of the following functions: (1) authorization of a transaction, (2) recording of the transaction, or (3) custody of assets involved in the transaction.

Condition: There is a general overall lack of segregation of duties within the Assessor's office.

Cause of Condition: Due to the small number of employees involved in the accounting functions, the Assessor's office did not have adequate segregation of functions within the accounting system.

Potential Effect of Condition: The lack of adequate segregation of duties increases the risk that errors or fraud could occur and not be discovered in a timely manner.

Recommendation: If possible, management should adopt procedures in the office to mitigate lack of segregation of duties. Where possible, duties should be segregated to reduce the risk of errors or fraud.

Management's Response: Due to the small size of our office it is not practical nor cost effective to correct this weakness.

Current Status: Due to the small size of our office it is not practical or cost effective to correct this weakness. As a result, this condition remains unresolved for reason as of the current year end.

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings reported.

SECTION III – MANAGEMENT LETTER

No findings reported.

* * * * *

THIS SCHEDULE HAS BEEN PREPARED BY MANAGEMENT

SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
For the Year Ended December 31, 2022

SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL STATEMENTS

2014-1 Internal Control

Criteria: An important element in the design of an internal accounting control system that safeguards assets and reasonably ensures the reliability of the accounting records is the concept of segregation of duties. A good system of internal control provides for a proper segregation of the accounting functions. No one person should be assigned duties that would allow that person to commit an error or perpetrate fraud and to conceal the error or fraud. As an example, the same person should not be responsible for any two of the following functions: (1) authorization of a transaction, (2) recording of the transaction, or (3) custody of assets involved in the transaction.

Condition: There is a general overall lack of segregation of duties within the Assessor's office. This condition existed in the prior year.

Cause of Condition: Due to the small number of employees involved in the accounting functions, the Assessor's office did not have adequate segregation of functions within the accounting system.

Potential Effect of Condition: The lack of adequate segregation of duties increases the risk that errors or fraud could occur and not be discovered in a timely manner.

Recommendation: If possible, management should adopt procedures in the office to mitigate lack of segregation of duties. Where possible, duties should be segregated to reduce the risk of errors or fraud.

Management's Response: Due to the small size of our office it is not practical or cost effective to correct this weakness. As a result, this condition remains unresolved for reason as of the current year end.

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings reported.

SECTION III – MANAGEMENT LETTER

No findings reported.

JEFFERSON DAVIS PARISH ASSESSOR
Jennings, Louisiana

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
For the Year Ended December 31, 2022

SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL STATEMENTS

2014-1 Internal Control

Condition: There is a general overall lack of segregation of duties within the Assessor's office. This condition existed in the prior year.

Recommendation: If possible, management should adopt procedures in the office to mitigate lack of segregation of duties. Where possible, duties should be segregated to reduce the risk of errors or fraud.

Current Status: Due to the small size of our office it is not practical or cost effective to correct this weakness. As a result, this condition remains unresolved for reason as of the current year end.

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings reported.

SECTION III – MANAGEMENT LETTER

No findings reported.

* * * * *

THIS SCHEDULE HAS BEEN PREPARED BY MANAGEMENT

Mike B. Gillespie
Certified Public Accountant
A Professional Accounting Corporation

Mike B. Gillespie, CPA, CGMA
◆
Eric C. Gillespie, CPA

414 East Nezpique Street
P.O. Box 1347
Jennings, LA 70546
Telephone: (337) 824-7773
Fax: (337) 824-7774

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCREDURES

To the Honorable Donald G. Kratzer,
Jefferson Davis Parish Assessor
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. Jefferson Davis Parish Assessor's (Assessor) management is responsible for those C/C areas identified in the SAUPs.

The Assessor has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

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

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

ii. ***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.

iii. ***Disbursements***, including processing, reviewing, and approving.

iv. ***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).

v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

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

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

viii. ***Credit Cards (and debit cards, fuel cards, purchase 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).

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

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

xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

2) Board or Finance Committee (This section is NOT Applicable)

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

4) Collections (excluding electronic funds transfers)

A. 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).

Obtained the listing of deposit sites and management's representation that the listing is complete.

B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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:

Obtained the listing of collection locations and management's representation that the listing is complete.

i. Employees responsible for cash collections do not share cash drawers/registers;

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

iii. Each employee responsible for collecting cash is not also 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; and

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

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:

i. Observe that receipts are sequentially pre-numbered.

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

iii. Trace the deposit slip total to the actual deposit per the bank statement.

iv. 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 and the cash is stored securely in a locked safe or drawer).

v. Trace the actual deposit per the bank statement to the general ledger.

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

A. 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).

Obtained the listing of locations that process payments and management's representation that the listing is complete.

B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Obtained a listing of those employees involved with non-payroll purchasing, payment functions, and inquired of those listed employees about their job duties.

i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

ii. At least two employees are involved in processing and approving payments to vendors;

iii. 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;

iv. 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; and

v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

C. For each location selected under procedure #5A 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

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

B. 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

i. Observe whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

ii. Observe that finance charges and late fees were not assessed on the selected statements.

C. Using the monthly statements or combined statements selected under procedure #7B above, <u>excluding fuel cards</u>, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). 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). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

A. 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 and 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

Obtained listing of all travel and travel-related expense reimbursement and management's representation that the listing is complete.

i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

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

iii. 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 Policies and Procedures procedure #1A(vii); and

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

8) Contracts

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

Obtained listing of all agreements/contracts that were initiated or renewed and management's representation that the listing is complete.

i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

9) Payroll and Personnel

A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

10) *Ethics*

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

12) Fraud Notice

A. 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 as required by R.S. 24:523.

B. 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.

13) Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and verbally discussed the results with management.

ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and verbally discussed the results with management.

iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and verbally discussed the results with management.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and verbally discussed the results with management.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

i. Number and percentage of public servants in the agency who have completed the training requirements;

ii. Number of sexual harassment complaints received by the agency;

iii. Number of complaints which resulted in a finding that sexual harassment occurred;

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

v. Amount of time it took to resolve each complaint.

****

No exceptions were noted as a result of applying the procedures listed above except for the following findings:

Written Policies and Procedures

1. The Assessor's written policies and procedures regarding disaster recovery/business continuity category did not contain periodic testing/verification that backups can be restored, timely application of all available system and software patches/updates, and identification of personnel, processes, and tools needed to recover operations after a critical event.

   Management's response: I will consider adding written policies for disaster recovery/business continuity.

Bank Reconciliations

1. Bank reconciliations did not include the initials of the preparer.

Management's response: I will consider implementing a procedure of initialing bank reconciliations.

2. The bank reconciliation did not include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

Management's response: In addition to serving as Assessor I personally handle all accounting functions including preparing all bank reconciliations. This ensures that my directives are properly carried out. I will consider adding a mitigating procedure.

Collections

3. Employees that are responsible for cash collections do share cash drawers.

Management's response: Collections coming over the counter are minor in nature since most receipts are received from other governments and normally via mail. Also, due to the small size of my office coupled with the very low amount of receipts over the counter this condition is not a significant issue.

4. The Assessor is involved in collections and also for preparing/making bank deposits, posting collections to the general ledger, and for reconciling collections to the general ledger by revenue source.

Management's response: In addition to serving as Assessor I personally handle all accounting functions including maintaining the general ledger and preparing all bank reconciliations. This ensures that my directives are properly carried out. I will consider adding a mitigating procedure.

5. Although other employees do handle collections the Assessor is the only person covered by a bond or insurance policy for theft.

Management's response: I will consider the cost effectiveness of adding all employees that handle cash to an insurance bond for theft.

Non-Payroll Disbursements

The results of test of the following functions indicates that the Assessor does not have adequate segregation of duties in the non-payroll disbursements area:

a. At least two employees are not involved in initiating purchase request, approving purchases, or placing orders/ making purchases. The Assessor handles these duties.

b. At least two employees are not involved in processing and approving payments to vendors. The Assessor handles these duties.

c. The employee responsible for processing payments is not prohibited from adding/modifying vendor files and nor is any other employee responsible for periodically reviewing changes to vendor files.

d. The Assessor signs all checks, mails the payments, and is also responsible for processing payments.

e. Disbursement documentation observed did not include evidence of segregation of duties in the non-payroll disbursement category.

Management's response: In addition to serving as Assessor I personally handle all accounting functions including payroll functions. This ensures that my directives are properly carried out. I will consider adding mitigating procedures.

Travel and Expense Reimbursement

f. Reimbursements were not reviewed and approved, in writing, by someone other than the persons receiving the reimbursements.

Management's response: I will consider implementing a procedure of reviewing and approving reimbursements.

Sexual Harassment

g. The Assessor has NOT posted it sexual harassment policy and compliant procedure on its website.

Management's response: Management agreed to finding.

h. The entity did not prepare an annual sexual harassment report for the current fiscal period.

Management's response: Management agreed to finding.

We were engaged by the Assessor to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of the Assessor and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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.

Mike B. Gillespie, CPA, APAC

Mike B. Gillespie, CPA, APAC
Jennings, Louisiana
June 14, 2023