

Livingston Parish Assessor
Livingston, Louisiana

Annual Financial Statements

As of and for the Year Then Ended December 31, 2017
With Supplemental Information Schedules



BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Livingston Parish Assessor
Annual Financial Statements
As of and for the Year Ended December 31, 2017
With Supplemental Information Schedules

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Independent Auditor's Report

To the Honorable Jeffrey G. Taylor, CLA
Livingston Parish Assessor
Livingston, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish Assessor, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

BRUCE HARRELL & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Accounting Corporation

To the Honorable Jeffrey G. Taylor, CLA

Livingston Parish Assessor

Livingston, Louisiana

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish Assessor, as of December 31, 2017, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedule of funding progress on pages 8-12, 42, and 43, respectively, as well as the information presented in the Schedule of the Assessor's Proportionate Share of the Net Pension Liability on page 44 and the Schedule of the Livingston Parish Assessor's Contributions on page 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Livingston Parish Assessor's basic financial statements. The accompanying schedule listed as Other Supplemental Information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

To the Honorable Jeffrey G. Taylor, CLA
Livingston Parish Assessor
Livingston, Louisiana
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Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 29, 2018 on our consideration of the Livingston Parish Assessor's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Livingston Parish Assessor's internal control over financial reporting and compliance.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

Kentwood, Louisiana
June 29, 2018

Required Supplemental Information (Part I)

Management's Discussion and Analysis

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2017**

Introduction

The Livingston Parish Assessor, is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), as amended. The amendment of GASB 34, including the adoption of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and applicable standards are more fully described in Footnote 1 – *Summary of Significant Accounting Policies*.

The Management's Discussion and Analysis (MD&A) for the Assessor, offers readers of the Assessor's financial statements this narrative overview and analysis of the financial activities of the Assessor for the fiscal year ended December 31, 2017. This MD&A is designed to provide an objective and easy to read analysis of the Assessor's financial activities based on currently known facts, decisions, or conditions.

The Assessor's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Livingston Parish Assessor's financial activity, (c) identify changes in the Assessor's financial position, (d) identify any significant variations from the Assessor's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Assessor's financial statements, which follow this section.

Financial Highlights

- At December 31, 2017, the Assessor's government wide assets and deferred outflows of resources of \$7,617,882 were above its liabilities and deferred inflows of resources by \$170,287 (net position). Of this amount, \$(207,810) was unrestricted and available to support short-term operations, with the balance of \$378,097 for net investment in capital assets.
- Ad valorem taxes, the main source of revenue for the assessor's office totaled \$4,443,242 on the fund basis for the current fiscal year, as compared to \$3,636,979 for the fiscal year ending December 31, 2016.
- Total expenses on the government-wide basis for the fiscal year ending December 31, 2017 were \$4,561,119 decreasing by \$451,334 from \$5,012,453 for the prior fiscal year.
- At December 31, 2017, the general fund reported ending fund balance of \$6,034,024, an increase of \$1,430,367 for the year. This entire amount of \$6,034,024 is unassigned fund balance.

Overview of the Annual Financial Report

The financial statement focus is on both the Livingston Parish Assessor as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Assessor's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Assessor's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2017**

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Livingston Parish Assessor's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on the Assessor's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Assessor is improving or deteriorating.

The Statement of Activities presents information showing how the Assessor's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities that are supported by the Assessor's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services.

In both of the government-wide financial statements, the Assessor's activities are a single type:

Governmental activities - All of the Assessor's basic services are reported here and are financed primarily by ad valorem tax revenue.

The government-wide financial statements include only the Livingston Parish Assessor (a component unit of the Livingston Parish Council) and can be found on pages 14 and 15.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Assessor, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Assessor uses one category of funds to account for financial transactions: governmental funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for all of the Assessor's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Assessor's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Assessor's programs. The fund financial statements begin on page 17 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Assessor's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations can be found on pages 18 and 20.

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2017**

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 22.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Assessor's net position for the current year as compared to the prior year.

**Condensed Statements of Net Position
2017 and 2016**

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Assets:		
Current and Other Assets	\$ 6,687,267	\$ 5,435,161
Capital Assets	378,097	428,787
Total Assets	<u>7,065,364</u>	<u>5,863,948</u>
Deferred Outflows of Resources		
Pension Related	552,518	802,538
Total Deferred Outflows of Resources	<u>552,518</u>	<u>802,538</u>
Liabilities:		
Long-Term Obligations	6,761,094	6,599,525
Other Liabilities	145,744	84,626
Total Liabilities	<u>6,906,838</u>	<u>6,684,151</u>
Deferred Inflows of Resources		
Pension Related	540,757	197,747
Total Deferred Inflows of Resources	<u>540,757</u>	<u>197,747</u>
Net Position:		
Net Investment in Capital Assets	378,097	428,787
Unrestricted	(207,810)	(644,199)
Total Net Position	<u>\$ 170,287</u>	<u>\$ (215,412)</u>

The major component of change for "Current and Other Assets" is a \$1,628,281 increase in cash and equivalents.

"Capital Assets" decreased by \$50,690, reflecting the depreciation expense recorded for the fiscal year ending December 31, 2017 of \$50,690. Livingston Parish Assessor did not have any capital asset additions or disposals.

"Liabilities" increased by \$222,687 due to the increases in unfunded net other post-employment benefit obligations of \$892,483 and decreases in net pension liability of \$723,174. Accounts payable increased \$34,757.

"Total Net Position" (total assets less total liabilities) increased by \$385,699 for the fiscal year ending December 31, 2017.

In order to further understand what makes up the changes in net position, the table following provides a summary of the results of the Assessor's activities for the current year as compared to the prior year.

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2017**

**Condensed Statement of Activities
For the years ended December 31, 2017 and 2016**

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 16,445	\$ 4,000
Operating Grants and Contributions	476,538	701,711
General Revenues:		
Ad Valorem Taxes	4,281,280	4,212,431
Revenue Sharing	126,423	119,380
Interest Income	14,222	1,103
Other Intergovernmental Revenue	29,908	8,047
Other Revenue	2,002	5,234
Gain on Sale of Assets	-	28,637
Total Revenues	<u>4,946,818</u>	<u>5,080,543</u>
Expenses:		
General Government	<u>4,561,119</u>	<u>5,012,453</u>
Total Expenses	<u>4,561,119</u>	<u>5,012,453</u>
Change in Net Position Before Transfers	<u>385,699</u>	<u>68,090</u>
Change in Net Position	<u>385,699</u>	<u>68,090</u>
Net Position, Beginning	<u>(215,412)</u>	<u>(283,502)</u>
Net Position, Ending	<u>\$ 170,287</u>	<u>\$ (215,412)</u>

The Assessor's governmental net position increased by \$385,699 as compared to a prior fiscal year net position increase of \$68,090. The Assessor's total revenue decreased by \$133,725 due to decreases in operating grants of \$225,173, Gain on Sale of Assets of \$28,637 offset by an increase charges for services of \$12,445, an increase in ad valorem tax revenue of \$68,849, an increase in interest income of \$13,119 and in increase in other governmental revenue of \$21,861. The operating grants are non-employer retirement contributions to the cost-sharing pension plan. Total expenses on the government-wide basis for the fiscal year ending December 31, 2017 decreased by \$451,334 primarily due to a decrease in salaries of \$150,050, a decrease in employee benefits of \$258,393, a decrease in professional fees of \$35,665, a decrease in tax collector deductions of \$36,935, and a decrease in computer equipment of \$33,740 offset by an increase in other post-employment benefits.

Fund Financial Analysis

As noted earlier, the Assessor uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Assessor has only one fund type – governmental funds.

Governmental Funds

The focus of the Assessor's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Assessor's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Assessor's net resources available for spending at the end of the year.

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2017**

At the end of the current year, the Assessor's one governmental fund, the general fund, reported ending fund balance of \$6,034,024, a increase of \$1,430,367 from the prior year. The entire fund balance was unassigned and available for spending at the Assessor's discretion.

Governmental Fund Budgetary Highlights

The Assessor demonstrated legal compliance by adopting and amending its budget in accordance with provisions of the Local Government Budget Act. As required by state law, actual revenues and other sources were within 5% of budgeted revenues and other sources, and actual expenditures and other uses were within 5% of budgeted expenditures and other uses.

Capital Assets

At December 31, 2017, the Assessor's net investment in capital assets for its governmental activities amounts to \$378,097.

The following table provides a summary of the Assessor's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 7 to the financial statements in this report.

**Capital Assets (Net of Depreciation)
2017 and 2016**

Capital Assets	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Buildings and Improvements	\$ 517,641	\$ 517,641
Equipment and Furniture	66,128	66,128
Vehicles	203,198	203,198
Computers	346,028	346,028
Subtotal Capital Assets	<u>1,132,995</u>	<u>1,132,995</u>
Less: Accumulated Depreciation	<u>(754,898)</u>	<u>(704,208)</u>
Capital Assets, Net	<u>\$ 378,097</u>	<u>\$ 428,787</u>

Livingston Parish Assessor did not have any additions or disposals for the year ended December 31, 2017. Additional information on the Livingston Parish Assessor's capital assets can be found in Note 7.

Other Factors Affecting the Assessor

The Livingston Parish Assessor's management approach is conservative. This is reflected in conformance to enacted budgets and in the efforts of the Assessor to control the level of expenditures.

Contacting the Assessor's Financial Management

This financial report is designed to provide Livingston Parish citizens, taxpayers, customers, and creditors with a general overview of the Assessor's finances and show the Assessor's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Livingston Parish Assessor at Post Office Box 307; Livingston, Louisiana 70754, Phone (225) 222-4131.

Basic Financial Statements
Government-Wide Financial Statements

Statement A

**Livingston Parish Assessor
Statement of Net Position
As of December 31, 2017**

		<u>Governmental Activities</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$	2,460,706
Investments		310,937
Receivables, Net:		3,790,079
Prepaid Insurance and Service Contracts		<u>125,545</u>
Total Current Assets		<u>6,687,267</u>
Capital Assets:		
Capital Assets, Net		<u>378,097</u>
Total Capital Assets		<u>378,097</u>
Total Assets		<u>7,065,364</u>
Deferred Outflows of Resources		
Pension Related		<u>552,518</u>
Total Deferred Outflows of Resources		<u>552,518</u>
Liabilities		
Current Liabilities:		
Accounts Payable		71,854
Other Accrued Payables		<u>73,890</u>
Total Current Liabilities		<u>145,744</u>
Long Term Liabilities:		
Other Post-Employment Benefits Obligation		6,099,599
Net Pension Liability		631,911
Compensated Absences Payable		<u>29,584</u>
Total Long Term Liabilities		<u>6,761,094</u>
Total Liabilities		<u>6,906,838</u>
Deferred Inflows of Resources		
Pension Related		<u>540,757</u>
Total Deferred Inflows of Resources		<u>540,757</u>
Net Position		
Net Investment in Capital Assets		378,097
Unrestricted		<u>(207,810)</u>
Total Net Position	\$	<u><u>170,287</u></u>

The accompanying notes are an integral part of this statement.

Statement B

Livingston Parish Assessor
Statement of Activities
For the year ended December 31, 2017

	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Net (Expenses) Revenues</u>	<u>Governmental Activities</u>
Governmental Activities					
General Government	\$ 4,561,119	\$ 16,445	\$ 476,538	\$ (4,068,136)	\$ (4,068,136)
Total Governmental Activities	<u>4,561,119</u>	<u>16,445</u>	<u>476,538</u>	<u>(4,068,136)</u>	<u>(4,068,136)</u>
General Revenues:					
Ad Valorem Tax					4,281,280
Revenue Sharing					126,423
Interest Income					14,222
Other Intergovernmental Revenue					29,908
Other Revenue					2,002
Total General Revenues and Transfers					<u>4,453,835</u>
Change in Net Position					<u>385,699</u>
Net Position - Beginning					<u>(215,412)</u>
Net Position - Ending					<u>\$ 170,287</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fund Financial Statements

**Livingston Parish Assessor
Governmental Fund Balance Sheet
As of December 31, 2017**

	General Fund
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 2,460,706
Investments	310,937
Receivables, Net:	
Ad Valorem Tax	3,717,240
Due From Other Governments	71,793
Other Receivables	1,046
Total Assets	\$ 6,561,722
Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities:	
Current Liabilities:	
Accounts Payable	\$ 71,854
Other Accrued Payables	73,890
Total Liabilities	145,744
Deferred Inflows of Resources:	
Ad Valorem Taxes	381,954
Total Deferred Inflows of Resources	381,954
Fund Balances:	
Unassigned	6,034,024
Total Fund Balances	6,034,024
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,561,722

The accompanying notes are an integral part of this statement.

Livingston Parish Assessor
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
As of December 31, 2017

Total Fund Balance, Governmental Funds (Statement C)	\$ 6,034,024
Amounts reported for Governmental Activities in the Statement of Net Position are different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental Capital Assets, Net of Accumulated Depreciation	378,097
Prepaid Expenses not recorded in the fund basis financial statements.	125,545
Ad Valorem taxes collected after year-end, but not available soon enough to pay for current expenditures	381,954
Long-term liabilities are not due and payable in the current period and, therefore, not reported in the governmental funds.	
Accrued Sick Leave Payable	(29,584)
Unfunded Net Other Post-Employment Benefits Obligation	(6,099,599)
Net Pension Liability	(631,911)
Deferred Outflows of Resources	552,518
Deferred Inflows of Resources	(540,757)
Net Position of Governmental Activities (Statement A)	\$ <u>170,287</u>

Statement E

Livingston Parish Assessor
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2017

		<u>General Fund</u>
Revenues		
Ad Valorem Taxes	\$	4,443,242
Intergovernmental		
State Revenue Sharing		126,423
Fees Charged to Other Governments		50,898
Charges for Services		26,991
Interest		14,222
Other		2,002
Total Revenues		<u>4,663,778</u>
Expenditures		
Salaries		1,730,536
Benefits		779,253
Payroll Taxes		37,754
Insurance		58,823
Other operating		92,819
Professional Fees		352,009
Repairs and Maintenance		26,402
Supplies		88,117
Tax Collector Expense		1,451
Travel and Training		47,352
Utilities		18,895
Capital Outlays		-
Total Expenditures		<u>3,233,411</u>
Net Change in Fund Balances		<u>1,430,367</u>
Fund Balance, Beginning		<u>4,603,657</u>
Fund Balance, Ending	\$	<u>6,034,024</u>

The accompanying notes are an integral part of this statement.

Livingston Parish Assessor
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2017

Total Net Change in Fund Balances, Total Governmental Funds (Statement E) \$ 1,430,367

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	\$	-	
Less:			
Current year depreciation		<u>(50,690)</u>	(50,690)

Insurance and service contracts which cover future periods are reflected in expenditures on the governmental funds. However, the statement of net position accounts for these expenses as prepaid.			(45,881)
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Compensated Absences payable after one year are not recorded as an expenditure in the governmental funds, but they are recorded as an expenditure in the statement of activities. (This entry records the change in compensated absences.)			7,740
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Non-employer contributions to cost-sharing pension plan			476,538
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Pension Expense			(346,394)
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Increases in unfunded post-employment benefit obligations for medical insurance expected in future periods are not recorded for governmental funds on the fund basis.			(892,483)
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Deferred inflows of resources for ad valorem taxes collected after year end, but not available soon enough to pay for current expenditures changed by the following amount.			<u>(193,498)</u>
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Change in Net Position of Governmental Activities, Statement B \$ 385,699

Basic Financial Statements

Notes to the Financial Statements

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

Introduction

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the Livingston Parish Assessor (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 pecuniary responsible for the actions of the deputies.

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

At December 31, 2017, there are 63,056 real property and movable property assessments totaling \$754,188,085. This represents an increase of 405 assessments totaling \$20,479,970 over the prior year, caused primarily by the increasing number of new businesses and residential growth in the parish during the year, rebuilding after the flood in 2016 and 2016 was a property reassessment year.

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, establishes criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Livingston Parish Assessor is considered a component unit of the Livingston Parish Council. As a component unit, the accompanying financial statements are to be included within the reporting of the primary government, either blended within those financial statements or separately reported as a discrete component unit. Under provisions of this statement, there are no component units of the Assessor. The accompanying financial statements present information only on the funds maintained by the Assessor and do not present information on the Council or the general government services provided by that governmental unit.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the Assessor. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, a primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Assessor does not have any business-type activities and reports only governmental activities. The Assessor has only one fund and as such, there is no interfund activity. The Assessor has no component units.

These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, as amended by GASB Statements described in the following paragraphs. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net assets (or balance sheet), a statement of activities, and a statement of cash flows. The definition and composition of

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. The Assessor has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* that require capital contributions to the Assessor to be presented as a change in net position.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote I – Net Position and Fund Balance*. As required by the GASB, the Assessor implemented GASB Statement No. 63 during the year ending December 31, 2012.

During the year ended December 31, 2012, the Assessor also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Assessor had deferred outflows and deferred inflows of resources related to pension of \$552,518 and \$540,757, respectively, at December 31, 2017.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements. The Assessor reports only one fund: a governmental fund – the general fund.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if they are measurable and available. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Substantially all other revenue items are considered to be measurable and available only when cash is received by the government.

The Assessor reports the following major governmental funds:

The *General Fund* is the Assessor's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in another fund (none in the current year).

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) program-specific operating grants and contributions; and, 3) program-specific capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Assessor's policy to use restricted resources first, then unrestricted resources as they are needed.

When restricted, committed, assigned, or unassigned fund balances are available for use, the Assessor considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds as needed, unless it has been provided for otherwise in the restriction, commitment, or assignment action.

C. Cash Equivalents and Investments

The Assessor's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law limits the Assessor to deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

In accordance with state law, the Assessor limits its investments to those allowed under R.S. 33:2955. Certificates of deposit are classified as investments if their original maturities exceed 90 days. Investments are reported at fair market value.

D. Receivables and Payables

All property tax receivables are shown net of an allowance for uncollectible amounts.

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. The Assessor did not have any inventory at December 31, 2017. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

F. Inventories

Certain proceeds of specific revenue sources that are legally restricted to expenditures for a specified purpose are classified as restricted assets because their use is limited to specific expenditures.

G. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental activities columns in the government-wide financial statement. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Assessor maintains a threshold level of \$1,500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings & Improvements	10 - 40 Years
Equipment & Furniture	3 - 25 Years
Computers	5 Years
Vehicles	5 Years

H. Compensated Absences

Assessor employees earn vacation leave of 2 weeks per year for the first and second year of employment, 3 weeks per year for the third through the sixth year of employment, 4 weeks per year for the seventh through the fifteenth year of employment, 5 weeks per year for the sixteenth through the twenty-fourth year of employment, and 6 weeks per year for the twenty-fifth and greater years of employment. No vacation leave can be carried forward.

Additionally, employees may earn paid comp time in exchange for overtime hours worked. Comp time is approved in advance by the Assessor prior to being earned by the employee. Employees may carry a maximum of 80 hours of comp time over from year to year. Any hours earned in excess of 80 hours are paid out at the next payroll date. Employees are entitled to any earned comp time up to 80 hours at the time of termination of employment.

A liability for unused vacation is accrued comp time on the government-wide level.

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

I. Net Position and Fund Balance

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 for the government-wide financial statements requires the following components of net position:

- **Net Investment in Capital Assets** - The *net investment in capital assets* component of net position includes capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- **Restricted Net Position** - The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- **Unrestricted Net Position** - The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund statements, governmental fund equity is classified as fund balance. The Assessor adopted GASB 54 for the year ended December 31, 2011. As such, fund balances of governmental funds are classified as follows:

- **Nonspendable.** These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal action of the Assessor. To be reported as committed amounts, they cannot be used for any other purposes unless the Assessor removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Assessor.

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

- **Unassigned.** These are amounts that have not been assigned to other funds and amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. Also within other governmental funds, these include expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed or assigned for those purposes.

J. Comparative Data/Reclassifications

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. All prior period adjustments recorded in the current period have been reflected in prior period data presented wherever possible.

K. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Assessor, which are either unusual in nature or infrequent in occurrence.

L. Estimates

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

M. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balance and the government-wide statement of activities is presented in Statement F of the basic financial statements.

2. Stewardship, Compliance and Accountability

Budget Information

The Assessor uses the following budget practices:

1. The Assessor prepares a General Fund budget, on the modified accrual basis of accounting, at the beginning of each year based upon prior year expenditures and anticipated revenues for the budget year.
2. The proposed budget is made available for public inspection no later than 15 days prior to the beginning of the year. A public hearing on the budget is advertised in the Livingston Parish News.
3. All annual appropriations lapse at fiscal year end.

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

4. Budget amounts included in the accompanying financial statements include the original adopted budgets.
5. Formal budgetary integration (with the accounting system) is employed as a management control device. During the fiscal year, actual revenues and expenditures are compared to budgeted revenues and expenditures by the Assessor. If actual revenues are falling short of budgeted revenues by 5% or more, or if actual expenditures to date plus projected expenditures for the remainder of the year exceed the budgeted expenditures by 5% or more, the original budget is amended by the Assessor.

There were no material variances in actual revenues and other sources under budgeted revenues and other sources or actual expenditures and other sources over budgeted amounts for the year ended December 31, 2017 that would have resulted in a violation of the Local Government Budget Act.

3. Cash and Cash Equivalents

At December 31, 2017, the Assessor has cash and cash equivalents (book balances) as follows:

	December 31, 2017
Cash on Hand	\$ 500
Demand Deposits	2,340,106
Louisiana Asset Management Pool (LAMP)	101,398
Time and Savings Accounts	18,702
Total	\$ 2,460,706

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 as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2017, the Assessor had \$2,614,791 in deposits other than LAMP in financial institutions (collected bank balances) and \$18,702 in cash deposits in a broker account. These combined deposits of \$2,633,493 (bank balance) consisted of \$2,407,611 in demand deposits, \$18,702 in time and savings deposits (See Note 4), and \$207,180 in certificates of deposit held as investments (See Note 4). The Assessor's demand deposits of \$2,407,611 and \$207,180 of its certificates of deposit are held at one financial institution. Of these amounts, \$250,000 are secured from risk by federal deposit insurance of \$250,000 and the remaining \$2,364,791 is secured by pledged securities. The \$2,364,791 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The time and savings deposit of \$18,702 is held in a broker account and is secured by SPIC brokerage insurance.

Even though the pledged securities, if applicable, are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Assessor that the fiscal agent has failed to pay deposited funds upon demand.

**Livingston Parish Assessor
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LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Livingston Parish Assessor records its investments in LAMP as cash and cash equivalents. See further discussion on LAMP in Note 4.

4. Investments

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Assessor or its agent in the Assessor's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Assessor's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Assessor's name

At December 31, 2017, Livingston Parish Assessor investment balances consisted of the following:

	<u>Maturity Date</u>	<u>Carrying Amount</u>	<u>Fair Market Value</u>
Certificates of Deposit	August 25, 2018	\$ 207,180	\$ 207,180
Bonds			
Louisiana Pub Facs Auth			
Hospital Rev Franciscan			
Missionaries PJ (A2)	July 1, 2042	103,757	103,757
	Total \$	310,937	\$ 310,937

In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments, when held, are carried at fair market value, with the estimated fair market value based on quoted market prices.

Interest Rate Risk: The Assessor does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

The Assessor held one certificate of deposit that qualified as an investment, at December 31, 2017, with a market value of \$207,180. The certificate of deposit bears an interest rate of 0.10% and matures on August 25, 2018. The certificates of deposit are not included in cash equivalents at December 31, 2017 because their original maturity date is greater than 90 days. Any penalty for early withdrawal would not have a material effect on the financial statements. The Assessor also had a bond in the amount of \$103,757. The Louisiana Public Facilities Bond has an amortized cost of \$100,843 with a market value of \$103,757, with an unrealized loss of \$2,914 and is scheduled to mature in July 2042.

All investments held by the Assessor fall into category 1 credit risk, as defined above.

In accordance with GASB Codification Section I50.165, the investment in LAMP at December 31, 2017, is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

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

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

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

1. Credit risk: LAMP is rated AAAM by Standards and Poor's.
2. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: LAMP is designed to be highly liquid to give participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 43 days (from LAMP's monthly Portfolio Holding) as of December 31, 2017.
5. Foreign currency risk: Not applicable to 2a7-like pools.

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

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

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

5. Levied Taxes

Louisiana Revised Statute 47:1925.2 created a special assessment district to provide ad valorem taxes revenue to fund the operations of the Assessor.

Ad valorem taxes are levied in September or October and are billed by the Livingston Parish Sheriff and are due on November 15, the levy date, and they become delinquent on the following January 1. The taxes are generally collected in December of the current year and January through March of the following year. Ad valorem taxes attach as an enforceable lien on property as of January 1 of the following year.

The Livingston Parish Assessor is authorized to levy up to 8.52 mills in ad valorem taxes. An 8.52 mill ad valorem tax was levied for the year ended December 31, 2017. The total assessed valuation for all taxpayers at December 31, 2017 was \$754,188,085. There were no individual taxpayers whose assessed tax was greater than 5% of the total taxes assessed.

**Livingston Parish Assessor
Notes to the Financial Statements
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6. Receivables

The Governmental Fund receivables at December 31, 2017 consist of the following:

Government Receivables

Ad Valorem Taxes	\$	3,717,240
Revenue Sharing		42,591
Due from Other Governments		29,202
Other Receivables		1,046
Total Government Receivables	\$	<u>3,790,079</u>

Uncollectible amounts due for Ad Valorem taxes are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The estimated uncollectible amount at December 31, 2017 for Ad Valorem taxes is \$175,158.

7. Capital Assets

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

Governmental Activities Capital Assets:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Buildings and Improvements	\$ 517,641	\$	\$	\$ 517,641
Vehicles	203,198			203,198
Machinery and Equipment	66,128			66,128
Computers	346,028			346,028
Total Capital Assets Being Depreciated	<u>1,132,995</u>	<u>-</u>	<u>-</u>	<u>1,132,995</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	157,578	28,143		185,721
Vehicles	143,076	19,648		162,724
Machinery and Equipment	63,458	1,559		65,017
Computers	340,096	1,340		341,436
Total Accumulated Depreciation	<u>704,208</u>	<u>50,690</u>	<u>-</u>	<u>754,898</u>
Total Capital Assets Being Depreciated, Net	<u>428,787</u>	<u>(50,690)</u>	<u>-</u>	<u>378,097</u>
Total Governmental Activities Capital Assets, Net	\$ <u>428,787</u>	\$ <u>(50,690)</u>	\$ <u>-</u>	\$ <u>378,097</u>

Depreciation was charged to governmental functions as follows:

General Government	\$	<u>50,690</u>
	\$	<u>50,690</u>

8. Retirement Systems

A. Louisiana Assessors' Retirement Fund and Subsidiary

Substantially all employees of the Livingston Parish Assessor's office are members of the Louisiana Assessors' Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

The Assessor implemented Governmental Accounting Standards Board (GASB) Statement 68 on *Accounting and Financial Reporting for Pensions* and Statement 71 on *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB 68. These standards

Livingston Parish Assessor
Notes to the Financial Statements
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require the Assessor to record its proportional share of each of the pension plans' net pension liability and report the following disclosures:

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

Retirement Benefits:

Plan benefits are as follows:

For employees hired prior to October 1, 2013:

Any age with 30 or more years of creditable service

Age 55 with 12 years of creditable service

For employees hired after October 1, 2013:

Age 55 with 30 years of service

Age 60 with 12 years of service

Employees who became members prior to October 1, 2006, are entitled to annual pension benefits equal to 3 1/3% of their average final compensation based on the 36 consecutive months of highest pay, multiplied by their total years of service, not to exceed 100% of final compensation. Employees who become members on or after October 1, 2006 will have their benefit based on the highest 60 months of consecutive service. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

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

1. At death, the beneficiary will receive a lump sum payment based on the present value of the employee's annuity account balance.
2. At death, the beneficiary will receive a life annuity based on their reduced retirement allowance.
3. At death, the beneficiary will receive a life annuity equal to 1/2 of their reduced retirement allowance.
4. Any other benefit certified by the actuary and approved by the Board of Trustees that will be equivalent in value to their retirement allowance.

Survivor Benefits:

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

1. If a member of the Fund dies in service with less than 12 years of creditable service and leaves a surviving spouse, their accumulated contributions shall be paid to the surviving spouse.
2. If a member dies and has 12 or more years of creditable service and is not eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

equal to the joint and survivorship amounts provided in Option 2 as provided for in R.S. 11:1423, which shall cease upon a subsequent remarriage, or a refund of the member's accumulated contributions, whichever the spouse elects to receive.

3. If a member dies and is eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the Option 2 benefits provided for in R.S. 11:1423, which shall not terminate upon a subsequent remarriage.
4. Benefits set forth in item number 2 above, shall cease upon remarriage and shall resume upon a subsequent divorce or death of a new spouse. The spouse shall be entitled to receive a monthly benefit equal to the amount being received prior to remarriage.

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 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.

Back-DROP(Deferred Retirement Option Plan) Benefits:

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:

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

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

At the time of retirement, a member who elects to receive a Back-DROP benefit shall select a Back-DROP period to be specified in whole months. The duration of the Back-DROP period shall not exceed the lesser of 36 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.

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

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

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.

Funding Policy:

Contributions for all members are established by statute at 8% 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 the state statute contributions for all employers are actuarially determined each year. Employer contributions were 10 percent of members' earnings for the year ended September 30, 2017. During the year ending December 31, 2017, the Assessor recognized revenue as a result of support received from non-employer contributing entities of \$476,538 for its participation in the Louisiana Assessors' Retirement Fund.

The Livingston Parish Assessor's contribution to the system for the years ending December 31, 2017, and 2016 was \$268,539 and \$350,748 respectively equal to the required contributions for each year.

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

At December 31, 2017, the Assessor reported a liability of \$631,911 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of September 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Assessor's proportion of the net pension liability was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At December 31, 2017, the Assessor's proportion was 3.601225%, which was a decrease of 0.238964% from its proportion measured as of September 30, 2016.

For the year ended December 31, 2017, the Assessor recognized pension expense of \$614,933 which represents its proportionate share of the system's net expense including amortization of deferred amounts.

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 70,435	\$ (198,395)
Changes of Assumptions	395,223	-
Net difference between projected and actual earnings on pension plan investments	-	(244,527)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	56,975	(97,835)
Diff in Actual & Proportionate Contributions	-	-
Employer contributions subsequent to the measurement date	29,885	-
Total	\$ 552,518	\$ (540,757)

The Assessor reported a total of \$29,885 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of September 30, 2017 which will be recognized as a reduction in net pension liability in the year ended December 31, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	
2018	\$ 73,730
2019	\$ 105,915
2020	\$ (136,696)
2021	\$ (85,884)
2022	\$ 24,810
	\$ (18,125)

Actuarial Assumptions.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of September 30, 2017 is as follows:

Valuation Date	September 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75%, (Net of pension plan investment expense, including inflation)
Expected Remaining Service Lives	6 years
Inflation Rate	2.50%
Salary Increases	5.75%
Annuitant and beneficiary mortality	RP 2000 Healthy Annuitant Table set forward one year and projected to 2030 for males and females.

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

Active Members Mortality	RP-2000 Employee Table set back four years for males and three years for females.
Disabled Lives Mortality	RP-2000 Disabled Lives Mortality Tables set back five years for males and three years for females.

The current year actuarial assumption utilized for this report is based on the assumptions used in the September 30, 2017 actuarial funding valuation, which (with the exception of mortality) were based on the results of an actuarial experience study for the period July 1, 2009-June 30, 2014, unless otherwise specified in this report. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience. All assumptions selected were determined to be reasonable and represent expectations of future experience for the Fund.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017, are summarized in the following table as of September 30, 2017:

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	6.24%

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

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 participating employers calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of September 30, 2016:

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Rates	5.75%	6.75%	7.75%
Livingston Parish Assessor Share of NPL	\$ 2,142,827	\$ 631,911	\$ (663,345)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318) 425-4446.

B. Other Pension Plans

The Livingston Parish Assessor's Office participates in Internal Revenue Service Code Section 457(b) and Section 401(a) Plans administered by AXA Equitable Life Insurance Company.

A 457 deferred compensation plan is a defined contribution retirement plan for employees of local, state and federal governments and agencies, and certain non-profit organizations. 457 deferred compensation plans are named after Internal Revenue Code Section 457.

A 457 deferred compensation plan is similar to other retirement plans, like a 401(k) and 403(b) plans in that plan earnings grow on a tax-deferred basis, and contributions are made through voluntary payroll deduction.

401(a) plans are similar to 401(k) programs, 401(a) retirement plans are primarily used by local, state and other government agencies, for retirement savings programs. They are qualified plans and abide by Internal Revenue Service rules set forth in the Internal Revenue Code.

Retirement Expense for these other pension plans for 2017 was \$2,773.

9. Other Post-Employment Benefits

Effective with the year beginning January 1, 2009, the Livingston Parish Assessor implemented GASB Statement No. 45, *Accounting and Financial Reporting for Employers for Postemployment Benefits Other than Pension Benefits*. The Assessor established and amends the funding policy. The statement has been implemented prospectively. Using this method, the beginning OPEB liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to January 1, 2009) will be amortized and recognized as an expense over thirty years.

Plan Description. The Livingston Parish Assessor contributes to a single-employer defined benefit healthcare plan ("Plan"). The Plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Livingston Parish Assessor's group health insurance plan, which covers both active and retired members. Eligible members are those employees who work at least 35 hours a week for the Livingston Parish Assessor, who have completed a waiting period of thirty consecutive days while employed, and who are eligible for the Livingston Parish Assessor's retirement plan. Eligible members are also retired employees who are at least 55 years of age (or have at least 30 years of service regardless of age); who have at least 12 years of service with the Livingston Parish Assessor; and who were covered under the Plan for a minimum of thirty consecutive days immediately preceding retirement. Benefit

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

provisions are established by the Livingston Parish Assessor. The Plan does not issue a publicly available financial report.

Contribution Rates. Employees and spouses are not required to contribute to their post-employment benefits costs.

Funding Policy. Until 2009, the Assessor recognized the cost of providing post-employment medical, dental and life benefits (the Assessor’s portion of the retiree medical, dental, and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. The Livingston Parish Assessor contributes 100 percent of the medical, dental, and life insurance premiums for eligible retired members and their surviving spouses. For the year ended December 31, 2017, the Assessor contributed \$28,120 to the Plan.

Annual OPEB Cost and Net OPEB Obligation. The Livingston Parish Assessor’s annual other postemployment benefit (“OPEB”) cost (expense) is calculated based on the annual required contribution of the employer (“ARC”), an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any Unfunded Actuarial Accrued Liability (UAAL) over a period not to exceed thirty years. The total ARC for the fiscal year beginning January 1, 2014 is set forth below:

Normal Cost	\$	585,727
Thirty year UAL (Unfunded Liability) amortization amount		486,399
Annual required contributions (ARC)	\$	<u>1,072,126</u>

The following table presents the Livingston Parish Assessor’s Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending December 31, 2017:

Net OPEB Obligation - Beginning of Year	\$	<u>5,207,116</u>
Annual required contributions (ARC)		1,072,126
Interest on Net OPEB Obligation (Asset)		207,576
ARC Adjustment		<u>(359,099)</u>
Annual OPEB Cost		920,603
Contributions Made		<u>(28,120)</u>
Increase in Net OPEB Obligation		<u>892,483</u>
Net OPEB Obligation - End of Year	\$	<u>6,099,599</u>

The following table shows Livingston Parish Assessor’s annual post-employment benefits (OPEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (OPEB) liability (asset):

Fiscal Year Ended	Discount Rate	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
12/31/2015	4.00%	\$ 840,150	3.90%	\$ 4,415,934
12/31/2016	4.00%	\$ 821,022	5.80%	\$ 5,189,400
12/31/2017	4.00%	\$ 920,603	5.40%	\$ 6,059,928

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

Funded Status and Funding Progress. During the year ended December 31, 2017, the Livingston Parish Assessor did not establish or contribute to a postemployment benefits plan trust. Since there is no trust, the Livingston Parish Assessor's entire actuarial accrued liability of \$7,029,018 was unfunded.

The funded status of the Plan, as determined by an actuary, as of January 1, 2014, was as follows:

	<u>Medical</u>	<u>Life</u>	<u>Dental</u>	<u>Total</u>
All Employees Active and Retirees				
Actuarial Accrued Liability (AAL)	\$ 6,326,030	\$ 467,627	\$ 235,361	\$ 7,029,018
Actuarial Value of Plan Assets	-	-	-	-
Unfunded Act. Accrued Liability (UAAL)	\$ 6,326,030	\$ 467,627	\$ 235,361	\$ 7,029,018
Funded Ratio (Act. Val. Assets / AAL)				0%
Covered Payroll (active plan members)				\$ 1,851,246
UAAL as a percentage of covered payroll				380%
Retirees (included in the amounts listed above)				
Actuarial Accrued Liability (AAL)	\$ 693,039	\$ 132,468	\$ 41,355	\$ 866,862

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

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

In the January 1, 2017 actuarial valuation, the unit credit cost method was used. Since the Plan is unfunded, a discount rate of 4% was used. If the Plan were to fund, the discount rate would likely be higher and based upon the investments of the trust. In addition, the actuarial assumptions included an annual healthcare cost trend rate for medical costs of 6.50% initially, reduced by decrements to an ultimate rate of 4.80% after 66 years. The actuarial assumptions included an annual healthcare cost trend rate for dental costs of 5.76% initially, reduced by decrements to an ultimate rate of 3.91% after 13 years. The Assessor's unfunded actuarial liability is amortized over a closed 30 year period.

Additional assumptions used in the valuation included the following: The mortality rate for pre-retirement was based on the Adjusted Sex Distinct RP 2014 Combined Healthy Mortality Table projected using Scale MP2017. The mortality rate for post-retirement was based on the Adjusted Sex Distinct RP 2014 Combined Healthy Mortality Table projected using Scale MP2017. Actual premiums were used for medical and dental claims costs; they were derived from the 2017 premiums. Retirement rates were based on the CCRRF pension plan valuation. Current retirees were assumed to continue with their current benefits. 90% of the future eligible retirees were assumed to choose to continue their current medical, dental, and vision benefits at retirement. 100% of future eligible retirees were assumed to continue their

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017**

dental coverage upon retirement. For actives, it is assumed that husbands are three years older than their wives. 50% of active participants making it to retirement are assumed to be married and elect spouse coverage. It is assumed that all participants and spouses are eligible for Medicare upon reaching age 65.

There are no plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45 will be used.

10. Accounts and accrued Payables

	December
Governmental Funds Payable	31, 2017
Accounts	\$ <u>71,854</u>
Other	
Pension Fund Deduction Payable	39,840
Payroll Liabilities Payable	<u>34,050</u>
Total Government Funds Payable	\$ <u><u>145,744</u></u>

11. Long Term Liabilities

The Assessor did not have any long-term obligations at December 31, 2017, except for the unfunded OPEB obligation as described in Note 9 and the compensated absences payable of \$29,584.

12. Expenditures of the Assessor not included in the Financial Statements

Certain operating expenditures of the Livingston Parish Assessor are provided by the Livingston Parish Council and are not included in the accompanying financial statements. For the fiscal year ended December 31, 2017, the Parish Council provided utilities and insurance coverage for office space for the Livingston Parish Assessor.

13. Risk Management

The Assessor is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Assessor purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Assessor's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

14. Contingent Liabilities

The Livingston Parish Assessor is not involved in any outstanding litigation or claims requiring accrual or disclosure.

15. Cooperative Endeavor Agreements

The Livingston Parish Assessor has a cooperative endeavor agreement with the Parish of Livingston, Livingston Parish Law Enforcement District, and the Livingston Parish Clerk of Court to construct an office building for the Livingston Parish Assessor's Office, and storage space for the Livingston Parish Sheriff's Office, Livingston Parish Clerk of Court and the 21st Judicial District Court. Livingston Parish

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

has land which could suitable be used for constructing an office for Livingston Parish Assessor, and storage space for the Livingston Parish Sheriff, Livingston Parish Clerk of Court and the 21st Judicial District Court. In exchange for providing this tract of land for the Livingston Parish Assessor, Livingston Parish Sheriff, Livingston Parish Clerk of Court and the 21st Judicial District Court agree to fund the costs of the construction as set forth within the agreement. Livingston Parish Assessor, Livingston Parish Sheriff, Livingston Parish Clerk of Court and the 21st Judicial District Court be given exclusive use of the building for 99 years to be extended for additional periods of time by Parish Council if the building is still needed. The Parish will only be responsible for the payment of utilities, pest control and alarm security services for the Assessor's portion of the building and shall not exceed \$25,000 annually. The Sheriff, Clerk and Judges will pay for the utility services provided to their respective storage space. The Assessor from his funds, will pay for 100% of the cost of the part of the building as designated for the Assessor on the plan. In addition thereto, he shall pay 25% of the cost of construction of the parking lot. This agreement executed on October 12, 2017.

16. Subsequent Events

As of June 29, 2018, concrete has been poured related to the construction of a new building discussed in Note 15. Subsequent events have been evaluated by management through June 29, 2018, the date the financial statements were available for issuance. No other events were noted that require recording or disclosure in the financial statements for the year ending December 31, 2017.

Required Supplemental Information (Part II)

Livingston Parish Assessor
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual
General Fund
For the year ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Revenues				
Ad Valorem Taxes	\$ 3,900,000	\$ 3,800,000	\$ 4,443,242	\$ 643,242
Intergovernmental				-
State Revenue Sharing	120,000	120,000	126,423	6,423
Fees Charged to Other Governments	-	-	50,898	50,898
Charges for Services	-	-	26,991	26,991
Interest	-	-	14,222	14,222
Other	80,000	80,000	2,002	(77,998)
Total Revenues	<u>4,100,000</u>	<u>4,000,000</u>	<u>4,663,778</u>	<u>663,778</u>
Expenditures				
Salaries	1,400,000	1,860,000	1,730,536	129,464
Benefits	800,000	1,000,000	779,253	220,747
Payroll Taxes	-	-	37,754	(37,754)
Insurance	-	-	58,823	(58,823)
Other operating	-	-	92,819	(92,819)
Professional Fees	100,000	600,000	352,009	247,991
Repairs and Maintenance	100,000	280,000	26,402	253,598
Supplies	60,000	120,000	88,117	31,883
Tax Collector Expense	-	-	1,451	(1,451)
Travel and Training	40,000	40,000	47,352	(7,352)
Utilities	-	-	18,895	(18,895)
Capital Outlays	1,600,000	100,000	-	100,000
Total Expenditures	<u>4,100,000</u>	<u>4,000,000</u>	<u>3,233,411</u>	<u>766,589</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>1,430,367</u>	<u>1,430,367</u>
Fund Balances, Beginning	<u>-</u>	<u>4,603,657</u>	<u>4,603,657</u>	<u>-</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ 4,603,657</u>	<u>\$ 6,034,024</u>	<u>\$ 1,430,367</u>

See Independent Auditor's Report.

Livingston Parish Assessor
 Schedule of Funding Progress for the Retiree Benefits Plans
 For the year ended December 31, 2017

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(2-1) Unfunded Actuarial Accrued Liability (UAAL)	(1/2) Funded Ratio	(3) Covered Payroll	((2-1)/(3)) UAAL as a Percentage of Covered Payroll
January 1, 2015	\$ -	\$ 5,480,286	\$ 5,480,286	0%	\$ 1,867,156	294%
January 1, 2016	\$ -	\$ 5,480,286	\$ 5,480,286	0%	\$ 1,851,246	296%
January 1, 2017	\$ -	\$ 7,029,018	\$ 7,029,018	0%	\$ 1,630,536	431%

See Independent Auditor's Report.

Livingston Parish Assessor
Schedule of the Assessor's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

Louisiana Assessors' Retirement Fund and Subsidiary:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Employer's Proportion of the Net Pension Liability (Assets)	3.909484%	3.840189%	3.601225%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,045,922	\$ 1,355,085	\$ 631,911
Employer's Covered-Employee Payroll	\$ 1,642,732	\$ 1,673,188	\$ 1,581,003
Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered-Employee Payroll	124.543870%	80.988209%	39.968994%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.570000%	90.677700%	95.610400%

* The amounts presented for each fiscal year were determined as of 9/30 within the fiscal year.

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

See Independent Auditor's Report.

Schedule 4

**Livingston Parish Assessor
 Schedule of the Assessor's Contributions
 For the year ended December 31, 2017**

Louisiana Assessors' Retirement Fund and Subsidiary:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$ 217,870	\$ 248,472	\$ 133,481
Contributions in relation to contractually required contributions	<u>217,870</u>	<u>248,472</u>	<u>133,481</u>
Contribution deficiency (excess)	-	-	
Employer's Covered Employee Payroll	\$ 1,613,615	\$ 1,700,876	\$ 1,533,391
Contributions as a % of Covered Employee Payroll	13.501982%	14.608472%	8.704955%

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

See Independent Auditor's Report.

Other Supplemental Information

Livingston Parish Assessor
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the year ended December 31, 2017

Agency Head: Jeff Taylor, Assessor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 158,746
Benefits - Insurance	22,365
Benefits - Retirement	15,080
Employer Paid Payroll Taxes	2,505
Travel	8,194
Continuing Professional Education Fees	-
Per Diem and Meals Reimbursement	1,524
Registration Fees	965
Total	<u>\$ 209,379</u>

See Independent Auditor's Report.

**Livingston Parish Assessor
Summary Schedule of Findings and Questioned Costs
For the year ended December 31, 2017**

Part I: Summary of Auditor's Findings*Financial Statements*

Type of Auditor's Report Issued: Unmodified.

Internal Control Over Financial Reporting:

Material Weakness(es) Identified:	No
Significant Deficiency(ies) that are not considered to be Material Weaknesses:	No
Noncompliance Material to the Financial Statements:	No

Federal Awards

There were no Major Programs for the Assessor for the fiscal year ended December 31, 2017.

**Part II: Findings which are required to be reported in accordance with generally accepted
Governmental Auditing Standards:**

- A. Compliance Findings -
None
- B. Internal Control Findings -
None

**Part III: Findings and Questioned Costs for Federal Awards which include audit findings as defined in
Section 510(a) of the Uniform Circular:**

N/A

Part IV: Management Letter Items:

There were no management findings for the Assessor for the fiscal year ending December 31, 2017.

**Livingston Parish Assessor
Summary Schedule of Prior Year Audit Findings
For the year ended December 31, 2017**

Compliance

No compliance findings.

Internal Control

No internal control findings.

Management

No management findings.

**Livingston Parish Assessor
Corrective Action Plan for Current Year Audit Findings
For the year ended December 31, 2017**

Compliance

No compliance findings.

Internal Control

No internal control findings.

Management

No management findings.

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

To the Honorable Jeffrey G. Taylor, CLA
Livingston Parish Assessor
Livingston, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish Assessor, Livingston, Louisiana, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Livingston Parish Assessor's basic financial statements and have issued our report thereon June 29, 2018.

Internal Control over Financial Reporting

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

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

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

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To the Honorable Jeffrey G. Taylor, CLA
Livingston Parish Assessor
Page 2

control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

Kentwood, Louisiana
June 29, 2018

Livingston Parish Assessor

Statewide Agreed-Upon Procedures

As of and for the Year Then Ended December 31, 2017



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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Honorable Jeffrey G. Taylor, CLA
Livingston Parish Assessor
Livingston, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Livingston Parish Assessor (Entity) and the Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the Louisiana's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Entity's management is responsible for those C/C areas identified in the SAUP's.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
Written policies and procedures were obtained and address the functions noted above.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
Written policies and procedures were obtained and address the functions noted above.
 - c) **Disbursements**, including processing, reviewing, and approving

- Written policies and procedures were obtained and address the functions noted above.*
- d) **Receipts**, including receiving, recording, and preparing deposits
- Written policies and procedures were obtained and address the functions noted above.*
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- Written policies and procedures were obtained and address the functions noted above.*
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- Written policies and procedures were obtained and address the functions noted above, except for legal review.*
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- Written policies and procedures were obtained and address the functions noted above.*
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- Written policies and procedures were obtained and address the functions noted above, except dollar thresholds. All travel and expense reimbursement support and documentation is provided to Assessor for approval on all travel and expense reimbursement per Livingston Parish Assessor policy and procedures.*
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- Written policies and procedures were obtained and include all the functions noted above.*
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- Written policies and procedures were obtained and address the functions noted above.*

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
- The Assessor does not maintain minutes; therefore, this is not applicable.*
- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

The Assessor does not maintain minutes; therefore, this is not applicable.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

The Assessor does not maintain minutes; therefore, this is not applicable.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

The Assessor does not maintain minutes; therefore, this is not applicable.

Bank Reconciliations

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

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

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

- a) Bank reconciliations have been prepared;

Obtained bank statements and reconciliations for all months in the fiscal period for all selected accounts noting that reconciliations have been prepared for all months in which a bank statement was produced by the bank.

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

Assessor initials all bank reconciliations.

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

Obtained documentation that the Assessor has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal year.

Collections

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

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

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

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

An Assessor employee opens the mail and forwards all checks and remittances to another Assessor employee who makes copies of any checks and remittances. That same employee then prepares the deposit slips and makes the deposit. The outside accountant picks up unopened bank statements and all source documents, records the related transactions, and reconciles bank accounts monthly. We obtained insurance policies and noted the Assessor has a public employee surety bond policy.

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

Written documentation was obtained and addresses the functions noted above.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Specific collection date is unknown for collections in the selected week as the collection date is not recorded on the source documents. The Assessor will add this step to his receipts policy in his policy and procedures manual. The policy will include initialing and dating when the check was received. This date will serve as the collection date as noted in the function above.

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

Specific collection date is unknown for collections in the selected week as collection date is not recorded on receipts. However, collections for the week selected are otherwise completely supported by collection documentation.

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

Written documentation was obtained and addresses the functions noted above.

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

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

Listing of disbursements and management's representation that the listing is complete was obtained.

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

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

Written documentation was obtained and addresses the functions noted above.

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

Written documentation was obtained and addresses the functions noted above.

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

Written documentation was obtained and addresses the functions noted above.

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

Written documentation was obtained and addresses the functions noted above.

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

Written documentation was obtained and addresses the functions noted above.

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

Noted no exceptions.

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

Noted no exceptions.

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

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

Listing of all active credit cards, bank cards, and fuel cards, including the card numbers and name of person who maintain possession of cards, and management's representation that the listing is complete was obtained.

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

Listing was obtained and randomly selected 10 cards.

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

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

Monthly statements were obtained as described above and we noted approval from Assessor; however, there was no supporting documentation with the fuel card statements.

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

No finance charges or late fees were noted.

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

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

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

The fuel card statements did not have fuel receipts. The listing provided by Assessor did not agree to fuel card statement. Unique ID Pin numbers were used; however, some of the fuel cards are being used by current employees but with terminated or retired employee pin numbers. Each card is assigned to a vehicle and check out to each employee. Each employee uses an unique pin for purchases.

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

No exceptions noted.

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

No exceptions noted.

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

The fuel card listing provided by the Assessor did not agree to the fuel card statement. We noted 5 exceptions. Unique identification numbers are used; however, some of the fuel cards are being used by current employees but with terminated or retired employee pin numbers. The Assessor's office has been working on getting any fuel cards assigned to retired or terminated employees but being used by current employees reissued with a new pin number for the current employee.

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

No exceptions noted.

Travel and Expense Reimbursement

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

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

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

Policies were obtained. No exceptions noted.

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

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

We found one exception. One employee received a mileage reimbursement that exceeded the State of Louisiana's Travel Guide as stated in the Assessor's policy and procedures. The employee received \$0.555/mile reimbursement instead of the State of Louisiana's Travel Guide rate of \$0.53. The Assessor will correct the mileage reimbursement to the correct rate according to the policy and procedures manual.

- b) Report whether each expense is supported by:

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Contracts

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

Listing of all contracts in effect and management's representation that the listing is complete was obtained.

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

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

No exceptions noted.

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

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

Not applicable.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Not applicable.

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

No amendments noted.

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

No noncompliance noted.

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

Not applicable.

Payroll and Personnel

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

Listing of employees with their related salaries and management's representation that the listing is complete was obtained.

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

No exceptions noted.

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

No exceptions noted.

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

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

No exceptions noted.

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

25 employee records in the payroll period were tested. The payroll supervisor uses a manual spreadsheet that accrues and tracks use of comp time and personal time off based on supervisor approved time records. The adjustments to that spreadsheet are made on employee requests by oral request, written request or e-mail. No exceptions were noted where any employee was paid for annual leave that was not available.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Ethics (excluding nonprofits)

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

No exceptions noted.

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

Management asserted that they have received no allegations during the fiscal period.

Debt Service (excluding nonprofits)

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

No exceptions noted.

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

No exceptions noted.

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

Not applicable.

Other

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

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

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

No exceptions noted.

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

No exceptions noted.

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

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



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
Kentwood, Louisiana

June 29, 2018