

ASSUMPTION PARISH ASSESSOR

Napoleonville, Louisiana

Financial Report

Year Ended December 31, 2018

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KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

* A Professional Accounting Corporation

WWW.KCSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT

Honorable Wayne P. Blanchard
Assumption Parish Assessor
Napoleonville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Assumption Parish Assessor ("Assessor"), a component unit of the Assumption Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these 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 Assessor'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 Assessor's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Emphasis of Matter

As described in Notes 10 and 15 to the financial statements, the Assessor implemented the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Also, as described in Note 15, the prior financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that certain information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the budgetary comparison schedule on page 34, schedule of changes in net OPEB liability and related ratios on page 35, schedule of employer's share of net pension liability on page 36, schedule of employer contributions on page 37, or notes to required supplementary information on pages 38-39 because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2019, on our consideration of the Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Assessor's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Assessor's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
June 5, 2019

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Statement of Net Position
December 31, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 1,373,099
Investments	257,074
Due from other governmental units	
Ad valorem taxes	872,557
State revenue sharing	23,884
Capital assets, net	<u>48,051</u>
Total assets	<u>2,574,665</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to -	
OPEB liability	88,985
Net pension liability	<u>292,680</u>
Total deferred outflows of resources	<u>381,665</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenditures	<u>21,313</u>
Noncurrent liabilities:	
Net OPEB liability	2,670,749
Net pension liability	<u>189,609</u>
Total noncurrent liabilities	<u>2,860,358</u>
Total liabilities	<u>2,881,671</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to net pension liability	<u>196,865</u>
NET POSITION	
Net investment in capital assets	48,051
Unrestricted (deficit)	<u>(170,257)</u>
Total net position (deficit)	<u>\$ (122,206)</u>

The accompanying notes are an integral part of the basic financial statements.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Statement of Activities
Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ <u>1,114,411</u>	\$ <u>2,482</u>	\$ <u>131,734</u>	\$ <u>(980,195)</u>
General revenue:				
Taxes:				
Property taxes, levied for general purposes				949,360
Grants and contributions not restricted to specific programs:				
State sources				35,816
Interest				7,411
Miscellaneous				<u>513</u>
Total general revenues				<u>993,100</u>
Change in net position				12,905
Net position (deficit) - January 1, 2018, as restated				<u>(135,111)</u>
Net position (deficit) - December 31, 2018				<u>\$ (122,206)</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Balance Sheet
Governmental Fund
December 31, 2018

	<u>General Fund</u>
ASSETS	
Assets:	
Cash and interest-bearing deposits	\$ 1,373,099
Investments	257,074
Due from other governmental units	
Ad valorem taxes	872,557
State revenue sharing	<u>23,884</u>
 Total assets	 <u><u>\$ 2,526,614</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities:	
Accounts payable and accrued expenditures	\$ 21,313
Deferred inflows of resources:	
Unavailable ad valorem tax revenue	86,007
Fund balance:	
Unassigned	<u>2,419,294</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u><u>\$ 2,526,614</u></u>

(continued)

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Balance Sheet (continued)
Governmental Fund
December 31, 2018

Reconciliation of the governmental fund balance sheet to the statement of net position

Total fund balance for the governmental fund at December 31, 2018		\$ 2,419,294
Certain revenues do not provide current financial resources and, therefore, are reported as deferred inflows of resources in the funds.		86,007
Deferred outflows of resources related to net OPEB liability and net pension liability are not available resources and, therefore, are not reported in the funds:		
Deferred outflows of resources related to net OPEB liability	292,680	
Deferred outflows of resources related to net pension liability	<u>88,985</u>	381,665
Liabilities not due and payable in the current period are not reported in the governmental funds:		
Net OPEB liability	(2,670,749)	
Net pension liability	<u>(189,609)</u>	(2,860,358)
Deferred inflows of resources related to net pension liability are not payable from current expendable resources and, therefore, are not reported in the funds		(196,865)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of		
Vehicles, furniture and equipment	157,769	
Less: Accumulated depreciation at December 31, 2018	<u>(109,718)</u>	<u>48,051</u>
Net position at December 31, 2018		<u>\$ (122,206)</u>

The accompanying notes are an integral part of the basic financial statements.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
Year Ended December 31, 2018

	<u>General Fund</u>
Revenues:	
Ad valorem taxes	\$ 904,416
Intergovernmental	
State revenue sharing	35,816
Charges for services	2,482
Interest income	7,411
Miscellaneous	513
Total revenues	<u>950,638</u>
 Expenditures:	
Current -	
General government:	
Personnel services and related benefits	728,490
Operating services	97,055
Materials and supplies	6,119
Repairs and maintenance	8,511
Capital outlay	1,163
Total expenditures	<u>841,338</u>
 Net change in fund balance	 109,300
 Fund balance, beginning, as restated	 <u>2,309,994</u>
 Fund balance, ending	 <u><u>\$2,419,294</u></u>

(continued)

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)
Governmental Fund
Year Ended December 31, 2018

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of the Governmental Fund to the Statement of Activities

Total net change in fund balance for the year ended December 31, 2018 per
Statement of Revenues, Expenditures and Changes in Fund Balance \$ 109,300

The change in net position reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	1,163	
Depreciation expense for the year ended December 31, 2018	(24,180)	(23,017)

Some expenses reported in the Statement of Activities do not require the
use of current financial resources and, therefore are not reported as
expenditures in the governmental funds:

Net change in postemployment benefit obligation (OPEB liability)	(255,402)	
Decrease in OPEB expense	88,985	(166,417)

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenues in the funds

Prior year deferred inflows of resources	(41,063)	
Current year deferred inflows of resources	86,007	44,944

Effects of recording net pension liability and deferred inflows and
outflows of resources related to net pension liability:

Increase in pension expense	(83,639)	
Nonemployer pension contribution revenue	131,734	48,095

Total change in net position for the year ended December 31, 2018 per
Statement of Activities \$ 12,905

The accompanying notes are an integral part of the basic financial statements.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the Assessor is elected by the voters of the parish and serves a term of four years. The Assessor assesses property, prepares tax rolls, and submits the rolls to the Louisiana Tax Commission as prescribed by law.

The accounting and reporting policies of the Assessor conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

These financial statements include only funds, activities, et cetera, that are controlled by the Assessor as an independently elected parish official. The Assumption Parish Police Jury has determined that the Assessor is a component unit of the Police Jury utilizing criteria established by Government Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended. The Police Jury concluded that the Assessor is fiscally dependent on the Police Jury since the Assessor's office is located in the Assumption Parish Courthouse, the upkeep and maintenance of the courthouse is paid by the Police Jury and in addition, the Police Jury also pays some of the Assessor's operating expenditures.

B. Basis of Presentation

The accompanying basic financial statements of the Assessor have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Assessor as a whole. These statements include all the financial activities of the Assessor. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, as amended.

The statement of activities presents a comparison between direct expenses and program revenues for the Assessor's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Assessor, and (b) grants and contributions for services offered by the Assessor. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

Fund Financial Statements

The Assessor uses a fund to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Assessor functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The fund of the Assessor is classified as governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Assessor or its total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The general fund of the Assessor is considered to be a major fund. The fund of the Assessor is described below:

Governmental Fund -

General Fund – This fund is the primary operating fund of the Assessor and it accounts for the operations of the Assessor’s office. The general fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Assessor policy.

C. Measurement Focus/Basis of Accounting

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

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

Revenues

Ad valorem taxes are recorded in the year ad valorem taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on December 31 of each year and become delinquent on January 1 of the following year. The taxes are generally collected in December, January and February of the fiscal year.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

Other intergovernmental revenues and charges for services are recorded when the Assessor is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenue when earned.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time of purchase.

D. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

E. Investments

Under state law, the Assessor may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Assessor may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

F. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) 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 \$200 or more for capitalizing assets.

Capital assets are recorded in the statement of net position. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	5-7 years
Vehicles	5 years

G. Compensated Absences

Employees earn vacation annually at varying rates depending upon length of service. An employee may carry five vacation days into the following year to be forfeited if not used by March 31st of that year. Any accrued vacation that is unused at termination will be paid to the employee.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

Employees are entitled to ten days of sick leave per year. Sick leave may not be accumulated or carried over to subsequent years.

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

I. Equity Classifications

Government-wide financial statements

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets - consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by the outstanding balances of any bonds, certificates of indebtedness, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted - consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted - all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

Fund financial statements

Fund balance for the Assessor's governmental fund is displayed depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. In the governmental fund financial statements, fund balance is classified as follows:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form (such as inventories and prepaid amounts) or because they are legally or contractually required to be maintained intact.
2. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

3. Committed - amounts that can be used only for specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. Assigned - amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned - amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Assessor considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Assessor considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Assessor has provided otherwise in commitment or assignment actions.

J. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available indicating the uncollectibility of the receivable.

K. Pensions

For purposes of measuring the net pension liability/asset, deferred outflows or resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana Assessors' Retirement Fund (Fund), and additions to/deductions from the Fund's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(2) Cash and Interest-Bearing Deposits

Under state law, the Assessor may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Assessor may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2018, the Assessor has cash and interest-bearing deposits (book balances) totaling \$1,373,099, as follows:

Demand Deposits	\$ 1,132,448
Certificates of Deposit	<u>240,651</u>
Total	<u>\$ 1,373,099</u>

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 financial institution. These securities are held in the name of the pledging fiscal agent bank in a holding

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

or custodial bank that is mutually acceptable to both parties. At December 31, 2018, deposit balances (bank balances) totaling \$1,380,596 were secured as follows:

Deposit balances (bank balances) at December 31, 2018, are secured as follows:

Bank balances	<u>\$ 1,380,596</u>
Federal deposit insurance	\$ 492,662
Uninsured and collateralized by pledged securities	<u>887,934</u>
Total	<u>\$ 1,380,596</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Assessor's deposits may not be recovered or the Assessor will not be able to recover collateral securities that are in the possession of an outside party. The Assessor does not have a policy to monitor or attempt to reduce exposure to custodial credit risk. At December 31, 2018, deposits in the amount of \$887,934 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent but not the Assessor's name.

(3) Investments

Investments held at December 31, 2018 consist of \$257,074 in the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments 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 Statements No. 40, *Deposit and Investment Risk Disclosure*, requires the disclosure of credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk for all public entity investments.

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

Credit risk – LAMP is rated AAAM by Standard & Poor's.

Custodial credit risk – LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not with the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk – pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk – 2a7-like investment pool are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.

Foreign currency risk – not applicable to 2a7-like pools.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair market value of investments is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

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

Fair Value Measurements

To the extent available, the Assessor's investments are recorded at fair value as of December 31, 2018. GASB Statement No. 72, Fair Value Measurements and Application, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Assessor measures and records its investments using fair value guidelines established by GASB 72, which recognizes a three-tiered fair value hierarchy as follows:

- Level 1 – quoted prices for identical investments in active markets
- Level 2 – observable inputs other than quoted market prices
- Level 3 – unobservable inputs

The Assessor's investments in LAMP are measured using observable inputs other than quoted market prices (Level 2 inputs). The investments in LAMP are valued using quoted market prices of the underlying investment of LAMP on a weekly basis and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

(4) Ad Valorem Taxes

Pursuant to Act 174 of 1990, Louisiana Revised State Statute 47:1925.2 created a special assessment district to provide ad valorem tax revenue to fund the Assessor's office.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the current fiscal year, taxes were levied in June and billed to the taxpayers by the Assumption Parish Sheriff in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

The taxes are based on assessed values determined by the Assumption Parish Tax Assessor and are collected by the Assumption Parish Sheriff.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended December 31, 2018, taxes were levied at the rate of 4.810 mills, on property with assessed valuations totaling \$200,949,683.

Total taxes levied during 2018 was \$966,559.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

(5) Tax Abatements

The Assessor is subject to certain property tax abatements granted by the Louisiana Board of Commerce and Industry ("LBCI"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the Assessor may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP") and the Restoration Tax Abatement Program ("RTAP"). In addition, local governments have the authority to grant sales tax rebates to taxpayers pursuant to the Enterprise Zone Tax Rebate Program. For the year ended December 31, 2018, the Assessor incurred abatements of ad valorem taxes through ITEP.

ITEP is authorized by Article 7, Section 21(F) of the Louisiana Constitution. Companies qualifying as manufacturers can apply to the LBCI for a property tax exemption on all new property, as defined, used in the manufacturing process. Under ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. The exemptions are granted for a 5 year term and are renewable for an additional 5 year term upon approval by LBCI. These state-granted abatements have resulted in reductions of property taxes, which the tax assessor administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement. For the year ended December 31, 2018, \$15,050 in Assessor ad valorem tax revenues were abated by the state of Louisiana through ITEP.

(6) Due from Other Governmental Units

Amounts due from other governmental units at December 31, 2018 consist of the following:

Assumption Parish Sheriff -	
Ad valorem taxes	\$ 872,557
State revenue sharing	23,884
Total	<u>\$ 896,441</u>

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

(7) Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance 1/1/2018	Additions	Deletions	Balance 12/31/2018
Governmental activities:				
Capital assets, being depreciated:				
Furniture and equipment	\$ 149,709	\$ 1,163	\$ (35,282)	\$ 115,590
Vehicles	42,179	-	-	42,179
Total capital assets, being depreciated	191,888	1,163	(35,282)	157,769
Less: accumulated depreciation				
Furniture and equipment	(112,331)	(15,745)	35,282	(92,794)
Vehicles	(8,489)	(8,435)	-	(16,924)
Total accumulated depreciation	(120,820)	(24,180)	35,282	(109,718)
Capital assets, net	\$ 71,068	\$ (23,017)	\$ -	\$ 48,051

For the year ended December 31, 2018, depreciation expense in the amount of \$24,180 was charged to general government.

(8) Accounts Payable and Accrued Expenditures

Accounts payable and accrued expenditures at December 31, 2018 consist of the following:

Payroll taxes payable	\$ 1,164
Accrued payroll	12,465
Accrued vacation	2,459
Retirement payable	5,225
	\$ 21,313

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

(9) Pension Plan

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

Retirement Benefits

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

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

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

1. If the member dies before he has received in annuity payments the present value of the member's annuity, as it was at the time of retirement, the balance is paid to his beneficiary.
2. Upon retirement, the member receives a reduced benefit. Upon the member's death, the surviving spouse will continue to receive the same reduced benefit.
3. Upon retirement, the member receives a reduced benefit. Upon member's death, the surviving spouse will receive one-half of the member's reduced benefit.
4. Upon retirement, the member may elect to receive a board-approved benefit that is actuarially equivalent to the maximum benefit.

Death Benefits

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

1. If a member of the Fund dies in service with less than 12 years of creditable service and leaves a surviving spouse, their accumulated contributions shall be paid to the surviving spouse.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

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

Disability Benefits

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

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

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

Back-Deferred Retirement Option Plan (Back-DROP)

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

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

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

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

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

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

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

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

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

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

Excess Benefit Plan

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

Contributions

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

Administrative costs of the Fund are financed through employer contributions. According to state statute, contributions for all employers are actuarially determined each year. Although the direct employer actuarially required contribution for the fiscal year ended September 30, 2018 is 5.24%, the actual employer contribution rate for the fiscal year ended September 30, 2018 was 8.00%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set one year prior to the year effective.

Employer contributions were 8.00% of members' earnings for the year ended September 30, 2018.

The Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state as well as a state revenue sharing appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee. During the year ended December 31, 2018, the Assessor recognized revenue as a result of support received from non-employer contributing entities of \$131,734 for its participation in the System.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2018, the Assessor reported liabilities in its financial statements of \$189,609 for its proportionate share of the net pension liabilities of the Fund. The net pension liabilities were measured as of September 30, 2018 and the total pension liability used to calculate the net pension obligation was determined by separate actuarial valuations performed as of that date. The Assessor's proportion of the net pension liability was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2018, the Assessor's proportional share of the Fund was 0.975335%, which was an increase of 0.018021% from its proportion measured as of September 30, 2017.

For the year ended December 31, 2018, the Assessor recognized pension expense of \$118,195 in its activities.

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

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,307	\$ 86,810
Changes in Assumption	243,310	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,063	13,518
Net difference between projected and actual earnings on pension plan investments	-	96,537
Contributions subsequent to the measurement date	8,000	-
	\$ 292,680	\$ 196,865

The \$8,000 reported as deferred outflows of resources related to pensions resulting from the Assessor's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	
2019	\$ 45,730
2020	(7,319)
2021	1,183
2022	24,523
2023	23,698
Total	\$ 87,815

Actuarial Assumptions

Schedule of Pension Amounts by Employer: The schedule of pension amounts by employer displays each employer's allocation of the net pension liability. The schedule of pension amounts by employer was prepared using all the allocations included in the schedule of employer allocations.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

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

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

Discount Rate

The investment rate of return was 6.25%, which was a .50% decrease from the rate used in the prior year. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018, are summarized in the following table.

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
	<u>2018</u>
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real estate	4.50%
Alternative assets	6.24%

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

The long-term expected rate of return selected for this report by the Fund was 6.25%, which was a .50% decrease from the rate used in the prior year. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions and the other assumptions and methods as specified in this report, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Thus, the discount rate used to measure the total pension liability was 6.25%, which was a .50% decrease from the rate used in the prior year.

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

Sensitivity to Changes in Discount Rate

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

	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Net Pension Liability	<u>\$ 637,735</u>	<u>\$ 189,609</u>	<u>\$ (194,307)</u>

Payables to the Pension Plan

Payables to the Pension Plan: The District recorded accrued liabilities to the System for the year ended December 31, 2018, primarily due to the accrual for payroll at the end of the fiscal year. The amounts due are included in liabilities under the amounts reported as accounts payable and accrued expenses. The balance due to the System as of December 31, 2018 is \$2,667.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

Pension Plan Fiduciary Net Position

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

(10) Postemployment Benefits Other than Pensions

Effective with the fiscal year beginning January 1, 2018, the Assessor implemented Government Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB 75).

Plan description

The Assessor provides certain continuing health care and life insurance benefits for its retired employees. The Assessor's OPEB Plan is a single-employer defined benefit OPEB plan administered by the Assessor. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Assessor. No assets are accumulated in a trust that meets the criteria paragraph 4 of Statement 75.

Benefits Provided

Medical, dental and life benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by the Louisiana Assessors' Retirement Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: Attainment of age 55 and 12 years of service; or, any age and 30 years of service.

Employees covered by benefit terms.

At January 1, 2018, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	6
Active employees	<u>6</u>
Total	<u><u>12</u></u>

The Assessor's total OPEB liability of \$2,670,749 was measured as of December 31, 2018 and was determined by an actuarial valuation as of January 1, 2018.

Actuarial assumptions and other inputs.

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

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

Inflation:	2.30%
Salary Increases, including inflation:	3.00%
Discount Rate:	4.10%
Health Care Cost Trend Rates:	Trend was calculated assuming an implied inflation rate of 2.3% per year, and actual premiums. The short-term trend rate for Non-Medicare retirees starts off at 4.0%, and at 4.7% for Medicare retirees and reflects the ACA Excise Tax effective 2022.

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

Mortality rates were based on the following:

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

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2018.

Changes in Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at 12/31/2017	<u>\$ 2,415,347</u>
Charges for the year:	
Service Cost	114,586
Interest on total OPEB liability	86,057
Effect of economic/demographic gains or losses	30,172
Effect of assumptions changes or inputs	
Change due to Claims Costs update	287,723
Change due to Trend update	(395,609)
Change due to Mortality update	213,206
Change due to Discount Rate update	<u>(23,690)</u>
Total assumption changes	81,630
Benefit Payments	<u>(57,043)</u>
Net Changes	<u>255,402</u>
Balance at 12/31/2018	<u>\$ 2,670,749</u>

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

Sensitivity of the total OPEB liability to changes in the discount rate.

The following presents the total OPEB liability of the Assessor, as well as what the Assessor's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10 percent) or 1-percentage-point higher (5.10 percent) than the current discount rate:

	1% Decrease 3.10%	Discount Rate 4.10%	1% Increase 5.10%
Total OPEB Liability	\$ 3,161,772	\$ 2,670,749	\$ 2,284,684

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

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

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	\$ 2,320,784	\$ 2,670,749	\$ 3,115,713

For the year ended December 31, 2018, the Assessor recognized an OPEB expense of \$223,460. At December 31, 2018, the Assessor reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,014	\$ -
Changes in assumptions or other inputs	64,971	-
Total	\$ 88,985	\$ -

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

Year Ended December 31	
2019	\$ 22,817
2020	22,817
2021	22,817
2022	20,534
	\$ 88,985

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

(11) Risk Management

The Assessor is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Assessor has obtained coverage from various commercial insurance companies to reduce exposure to these risks. There were no significant changes in coverages, retentions, or limits during the year ended December 31, 2018. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

(12) Deferred Compensation Plan

The Assessor offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

The Assessor will match up to 13.50% of the annual payroll for each employee not to exceed the limit set by the Internal Revenue Code Section 457. The Assessor's contributions to the Plan for the year ended December 31, 2018 was \$37,898.

(13) Expenditures of the Assessor Paid by the Assumption Parish Police Jury

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

(14) Compensation and Other payments to Chief Officer

Act 706 of the 2014 Legislative Session amended RS 24:513A requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. Expenses paid to the Assessor, Wayne Blanchard, for the year ended December 31, 2018 are as follows:

Salary	\$ 144,976
Benefits - insurance	24,514
Benefits - retirement	23,196
Benefits - deferred compensation	12,246
Conference registration and training	1,685
Lodging	1,256
Meals	668
Total	<u>\$ 208,541</u>

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Basic Financial Statements (continued)

(15) Restatement of Prior Periods

During the year ended December 31, 2018, the Assessor implemented the provisions of Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Statement No. 75 requires the restatement of net position for the initial measurement of the Assessor's postemployment benefit liability. The Assessor also corrected an error in the presentation of ad valorem tax receivables and deferred inflows. Net position and fund balance are restated as follows:

	Governmental Activities	General Fund
	Net Position	Fund Balance
Beginning balance, as previously reported	\$ 1,384,660	\$ 2,378,090
Initial measurement of OPEB	(1,492,738)	-
Correction of receivables and deferred inflows	(27,033)	(68,096)
Beginning balance (deficit), as restated	\$ (135,111)	\$ 2,309,994

REQUIRED SUPPLEMENTARY INFORMATION

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2018

	Original Budget	Amended Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:				
Ad valorem taxes	\$ 818,000	\$ 827,000	\$ 904,416	\$ 77,416
Intergovernmental				
State revenue sharing	36,000	35,000	35,816	816
Charges for services	-	-	2,482	2,482
Interest income	2,000	2,516	7,411	4,895
Miscellaneous	4,000	50,000	513	(49,487)
Total revenues	860,000	914,516	950,638	36,122
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	730,000	738,700	728,490	10,210
Operating services	104,000	162,800	97,055	65,745
Materials and supplies	8,000	6,200	6,119	81
Repairs and maintenance	-	-	8,511	(8,511)
Capital outlay	5,000	-	1,163	(1,163)
Total expenditures	847,000	907,700	841,338	66,362
Net change in fund balance	13,000	6,816	109,300	102,484
Fund balance, beginning	2,297,879	2,378,090	2,309,994	(68,096)
Fund balance, ending	\$ 2,310,879	\$ 2,384,906	\$ 2,419,294	\$ 34,388

See notes to required supplementary information.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

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

	2018
Total OPEB Liability	
Service Cost	\$ 114,586
Interest on total OPEB liability	86,057
Effect of economic/demographic gains or (losses)	30,172
Effect of assumption changes or inputs	81,630
Benefits payments	(57,043)
Net change in total OPEB liability	255,402
Total OPEB liability, beginning	2,415,347
Total OPEB liability, ending	\$ 2,670,749
Covered employee payroll	\$ 431,951
Total OPEB liability as a percentage of covered employee payroll	618.30%

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

See notes to required supplementary information.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Schedule of Employer's Share of Net Pension Liability
Year Ended December 31, 2018

Year Ended Sept 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.895693%	\$ 468,737	\$ 385,527	121.58%	85.57%
2016	1.003547%	\$ 354,121	\$ 420,838	84.15%	90.68%
2017	0.957314%	\$ 167,981	\$ 403,540	41.63%	95.61%
2018	0.975335%	\$ 189,609	\$ 429,917	44.10%	95.46%

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

See notes to required supplementary information.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Schedule of Employer Contributions
Year Ended December 31, 2018

Year Ended Dec 31,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2015	\$ 52,046	\$ 52,046	\$ -	\$ 385,527	13.50%
2016	\$ 42,084	\$ 42,084	\$ -	\$ 420,838	10.00%
2017	\$ 40,354	\$ 40,354	\$ -	\$ 403,540	10.00%
2018	\$ 34,556	\$ 34,556	\$ -	\$ 431,951	8.00%

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

See notes to required supplementary information.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Required Supplementary Information
Year Ended December 31, 2018

(1) Budgetary Basis of Accounting

The budget for the General Fund is adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Assessor.

(2) Budget Practices

- a. The Assessor prepares a proposed budget for the general fund for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.

(3) Other Postemployment Benefits

Changes in Benefit Terms - None

Changes of assumptions – Changes of assumptions and other inputs reflect the effects of changes in the discount rate for each period. The following are the discount rates used in each period:

<u>Period</u>	<u>Discount Rate</u>
2018	4.10%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Notes to Required Supplementary Information (continued)
Year Ended December 31, 2018

(4) Pension Plan

Changes in Benefit Terms - None

Changes of assumptions –

<u>Year ended</u> <u>December 31,</u>	<u>Discount</u> <u>Rate</u>	<u>Investment</u> <u>Rate</u> <u>of Return</u>	<u>Inflation</u> <u>Rate</u>	<u>Expected</u> <u>Remaining</u> <u>Service Lives</u>	<u>Projected</u> <u>Salary</u> <u>Increase</u>
2015	7.00%	7.00%	2.50%	6	5.75%
2016	7.00%	7.00%	2.50%	6	5.75%
2017	6.75%	6.75%	2.50%	6	5.75%
2018	6.25%	6.25%	2.20%	6	5.75%

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
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Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

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

Honorable Wayne P. Blanchard
Assumption Parish Assessor
Napoleonville, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Assumption Parish Assessor (hereinafter "Assessor"), a component unit of the Assumption Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements, and have issued our report thereon dated June 5, 2019.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Assessor'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. However, we identified a deficiency in internal control that we consider to be a material weakness and which is described in the accompanying schedule of audit results and findings as item 2018-001.

Compliance and Other Matters

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

Assessor's Response to Findings

The Assessor's response to the finding identified in our audit is included in the accompanying corrective action plan for current audit findings. The Assessor's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Assessor's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Assessor's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited under the provisions of Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
June 5, 2019

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Schedule of Audit Results and Findings
Year Ended December 31, 2018

Part I. Summary of Auditor's Results:

Unmodified opinions have been issued on the financial statements of the Assessor's governmental activities and major fund (General Fund).

A deficiency in internal control over financial reporting was disclosed by the audit of the financial statements and is considered to be a material weakness. No significant deficiencies were reported.

No instances of noncompliance required to be reported under *Government Auditing Standards* were identified.

A management letter was not issued.

Part II. Findings required to be reported in accordance *Governmental Auditing Standards*:

A. Internal Control

2018-001 - Financial Reporting

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

CRITERIA: The Assessor's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements, including the ability of its management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

CAUSE: The condition results from a reliance on the external auditor as part of the internal control process.

EFFECT: Financial statements and related notes may reflect a material departure from generally accepted accounting principles.

RECOMMENDATION: The additional costs required to achieve the desired benefit may not be economically feasible.

B. Compliance

No items are reported under this section.

Part III. Findings and questioned costs for Federal awards as defined in the Uniform Guidance:

Not Applicable

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2018

A. Internal Control –

There were no findings previously reported under this section.

B. Compliance –

There were no findings previously reported under this section.

C. Uniform Guidance –

This section was not applicable.

D. Management Letter -

There were no prior management letter items.

ASSUMPTION PARISH ASSESSOR
Napoleonville, Louisiana

Corrective Action Plan for Current Audit Findings
Year Ended December 31, 2018

2018-001 – Financial Reporting

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

MANAGEMENT'S RESPONSE: The financial reporting process will continue to be outsourced to the Assessor's external auditors due to the increased costs necessary to correct the condition.

ASSUMPTION PARISH ASSESSOR

Statewide Agreed-Upon Procedures

Fiscal period January 1, 2018 through December 31, 2018

KOLDER, SLAVEN & COMPANY, LLC

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WWW.KCSRPCAS.COM

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES TO CONTROL AND COMPLIANCE AREAS IDENTIFIED BY THE LOUISIANA LEGISLATIVE AUDITOR

Honorable Wayne P. "Cat" Blanchard, Assumption Parish Assessor
And the Louisiana Legislative Auditor

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable provisions 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 exceptions are as follows:

Written Policies and Procedures

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

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

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

Written policies and procedures were obtained and address the functions noted above, except for management's actions to determine the completeness of collections.

- 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 but do not specifically address the functions noted above.

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

Written policies and procedures were obtained and 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.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Written policies and procedures were obtained and address the functions noted above, with the exception of (3) a system to monitor possible ethics violations.

- 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 but do not specifically address the functions noted above. However, the Assessor does not have any outstanding debt.

Board or Finance Committee

The Assessor does not have a board or finance committee, as the Assessor is an independently elected parish official responsible for all oversight of the entity. Accordingly, these procedures were not applicable.

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent documents.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal

period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Bank Reconciliations

Note: Procedures excluded from testing in the current period—Per the Louisiana Legislative Auditor’s Statewide Agreed-Upon Procedures, Year 2: “Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 may exclude those categories in Year 2.”

3. Obtain a listing of client bank accounts for the fiscal period from management and management’s representation that the listing is complete. Ask management to identify the entity’s main operating account. Select the entity’s main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections

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

Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management’s representation that the listing is complete. Selected the Assessor’s one (1) deposit site.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

There are no sharing of cash registers or drawers.

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

The employee responsible for collecting cash is also responsible for preparing/making deposits; however, another employee is responsible for reconciling collection documentation.

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

The employee responsible for posting collection entries to the general ledger is also responsible for collecting cash without another employee reconciling ledger postings to each other and to the deposit.

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

The employee responsible for reconciling cash collections to the general ledger is also responsible for collecting cash; however, a member of management verifies the reconciliation.

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

The employee responsible for collecting cash is properly bonded and/or covered by an insurance policy.

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

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

The Assessor does not utilize a pre-numbered receipt system.

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

Traced collection documentation to the deposit slip.

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

Deposit slip total was traced to the actual deposit per the bank statement for each transaction tested.

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

The Assessor does not document the date receipts are received; therefore, a determination of whether deposits were within one business day of receipt at the collection location was unable to be made.

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

Actual deposit per the bank statement traced to the general ledger for all transactions tested.

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

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

Obtained listing of locations that process payments from management and management's representation that the listing is complete. Selected the Assessor's one (1) location that processes payments.

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

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

Obtained a listing of the Assessor's disbursement population from management and management's representation that the listing is complete. Randomly selected five (5) disbursements.

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

No exceptions noted.

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

One (1) of the five (5) disbursements selected did not evidence segregation of duties.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

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

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

Selected the Assessor's two (2) active cards, randomly selected one monthly statement for each, and obtained supporting documentation.

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported]

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

Note: Procedures excluded from testing in the current period—Per the Louisiana Legislative Auditor’s Statewide Agreed-Upon Procedures, Year 2: “Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 may exclude those categories in Year 2.”

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

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

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

Obtained management’s representation that there were only four agreements/contracts initiated or renewed during the fiscal period. Therefore, all four agreements/contracts were selected for testing.

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

The agreements/contracts tested were professional services contracts in which the Louisiana Public Bid did not apply.

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

No exceptions noted.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

No exceptions noted.

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

No exceptions noted.

Payroll and Personnel

Note: Procedures excluded from testing in the current period—Per the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, Year 2: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 may exclude those categories in Year 2."

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

Note: Procedures excluded from testing in the current period—Per the Louisiana Legislative Auditor’s Statewide Agreed-Upon Procedures, Year 2: “Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 may exclude those categories in Year 2.”

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

Debt Service (excluding nonprofits)

21. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Obtained management’s representation that no bonds/notes were issued during the fiscal period.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Obtained management’s representation that no bonds/notes were outstanding at the end of the fiscal period.

Other

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

Management asserted that there were no misappropriations of public funds or assets during the fiscal period.

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

Observed that the Assessor has the required notice posted on its premises and website.

Management’s Response

The Assessor’s management concurs with the exceptions and is working to address the deficiencies identified.

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 control and compliance 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 control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on

control or compliance. This report is intended solely for the information of and use by the Assessor's management and the LLA. Accordingly, this report is not suitable for any other purpose and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
June 5, 2019