

**UNION PARISH ASSESSOR**  
**FARMERVILLE, LOUISIANA**

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**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2018**



**UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA**

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## INDEPENDENT AUDITOR'S REPORT

**Honorable Lance Futch  
Union Parish Assessor  
Farmerville, Louisiana**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the General Fund of Union Parish Assessor, a component unit of the Union 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Union Parish 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.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 6), budgetary comparison information (page 37), the schedule of funding progress on the employee health care plan (page 38), the schedule of employer's proportionate share of net pension liability (page 39), and the schedule of employer's contributions to retirement system (page 40) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union Parish Assessor's basic financial statements. The schedule of compensation, benefits, reimbursements, and other payments to or on behalf of the assessor is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits, reimbursements and other payments to or on behalf of the assessor is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, reimbursements and other payments to or on behalf of the assessor is fairly stated in all material respects in relation to the basic financial statements as a whole.

Union Parish Assessor  
Independent Auditor's Report  
December 31, 2018

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2019 on our consideration of the Union Parish Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

BOSCH & STATHAM, LLC



Ruston, Louisiana  
June 27, 2019

*Assessor Union Parish  
101 Main Street  
Suite #103  
Farmerville, La. 71241-2843  
(318)368-3232*

**Management's Discussion and Analysis  
As of and for the Year Ended December 31, 2018**

Our discussion and analysis of the Union Parish Assessor (the Assessor) provides an overview of the Assessor's activities for the year ended December 31, 2018. Please read it in conjunction with the Assessor's financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Assessor as a whole.

**Reporting the Assessor as a Whole  
The Statement of Net Position and the Statement of Activities**

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Assessor's net position and changes in it. The Assessor's net position (i.e., the difference between assets and liabilities) is a measure of the Assessor's financial position. The increases or decreases in the Assessor's net position are an indicator of whether its financial position is improving or deteriorating.

**THE ASSESSOR'S OFFICE AS A WHOLE**

At December 31, 2018, net position was as follows:

	<b>2018</b>	2017
Current and other assets	<b>\$ 818,834</b>	\$ 846,780
Capital assets, net	<b>398,631</b>	414,547
Total assets	<b>1,217,465</b>	1,261,327
Deferred outflows	<b>281,966</b>	139,624
Current liabilities	<b>59,347</b>	51,247
Long-term liabilities	<b>1,786,446</b>	1,379,384
Total liabilities	<b>1,845,793</b>	1,430,631
Deferred inflows	<b>387,981</b>	111,680
Net position:		
Invested in capital assets	<b>240,631</b>	236,547
Unrestricted	<b>(974,974)</b>	(377,907)
Total net position	<b>\$ (734,343)</b>	\$ (141,360)

UNION PARISH ASSESSOR  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

For the year ended December 31, 2018, net position changed as follows:

CHANGE IN NET POSITION

	<u>2018</u>	<u>2017</u>
Program revenues:		
Charges for services	\$ 2,030	\$ 4,749
Operating grants and contributions	128,788	115,574
General revenues:		
Property taxes	773,713	750,590
Intergovernmental	4,173	4,049
Interest income	3,346	960
Other revenues	138,272	-
Total revenues	<u>1,050,322</u>	<u>875,922</u>
Expenses:		
General government	<u>1,110,084</u>	1,029,291
<b>Change in net position</b>	<b>(59,762)</b>	<b>(153,369)</b>
Net position at beginning of year - restated	<u>(674,581)</u>	12,009
<b>Net position at end of year</b>	<b><u>\$ (734,343)</u></b>	<b><u>\$ (141,360)</u></b>

As indicated above, net position decreased by \$59,762 to a deficit of \$734,343 in 2018. Ad valorem tax revenue increased 3% while total expenses decreased 12%. Pension expense recognized in 2018 was \$93,771. However, \$128,788 was recognized in revenue for the amount paid into the pension plan by entities other than the Assessor. Other variances were due to normal fluctuations in activity.

The fund financial statements show a 7% decrease in fund balance in 2018 compared to a 4% decrease in 2017. The decrease in fund balance in 2018 was due to decreases in various revenues. In 2018 high costs in appraisal services caused the decrease.

BUDGETARY HIGHLIGHTS

The Assessor amends his budget when he determines there are differences between actual and anticipated revenues and/or expenditures. The Assessor's final amended budget was adopted near the end of the year. Budgeted revenues were decreased by \$19,000 to adjust various amounts. Budgeted expenditures were increased by \$29,000 for various changes in estimates.

CAPITAL ASSETS

As of December 31, 2018, the Assessor's investment in capital assets totals \$398,631 (net of accumulated depreciation). This investment includes buildings, furniture, equipment, and two vehicles. There was an addition to furniture and equipment of \$9,058 but no deletions in 2018.

**UNION PARISH ASSESSOR  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

**DEBT**

The Assessor entered into a capital lease with the Union Parish Police Jury in a previous year for a building. The lease requires payments until 2025.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

There are no significant facts, decisions, or conditions that are expected to have a significant impact on the financial position or results of operations in 2019.

**CONTACTING THE ASSESSOR'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers with a general overview of the Assessor's finances and to show accountability for the money received by the Assessor's office. If you have any questions about this report or need additional financial information, contact the Union Parish Assessor's office at 101 Main Street, Farmerville, Louisiana 71241.

## **BASIC FINANCIAL STATEMENTS**

**UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA**

**STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2018**

**ASSETS**

Cash and cash equivalents	\$ 154,926
Receivables, net of allowance for uncollectibles	663,908
Capital assets, net of accumulated depreciation	398,631
<b>TOTAL ASSETS</b>	<u>1,217,465</u>

**DEFERRED OUTFLOWS**

Pension related	<u>281,966</u>
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**LIABILITIES**

Accounts payable	14,480
Payroll and related liabilities	24,867
Noncurrent liabilities:	
Due within one year	20,000
Due in more than one year	138,000
Net OPEB obligation	1,463,077
Net pension liability	185,369
<b>TOTAL LIABILITIES</b>	<u>1,845,793</u>

**DEFERRED INFLOWS**

Pension related	186,892
OPEB related	201,089
<b>TOTAL DEFERRED INFLOWS</b>	<u>387,981</u>

**NET POSITION**

Net investment in capital assets	240,631
Unrestricted net position	(974,974)
<b>TOTAL NET POSITION</b>	<u>\$ (734,343)</u>

*The accompanying notes are an integral part of these financial statements.*

**UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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Expenses - general government:	
Personal services and related expenses	\$ 625,777
Operating services	127,593
Materials and supplies	4,777
Travel, training, and meetings	25,087
Depreciation	24,974
Debt service - interest	7,016
OPEB obligation	62,817
Pension expense	93,771
Total expenses - general government	<u>971,812</u>
Program revenues:	
Charges for services	2,030
Operating grants and contributions	128,788
Total program revenues	<u>130,818</u>
Net program expense	<u>840,994</u>
General revenues:	
Property taxes	773,713
Payments in lieu of taxes	4,173
Interest earned	3,346
Total general revenues	<u>781,232</u>
<b>Change in net position</b>	<u>(59,762)</u>
Net position at beginning of year - restated	<u>(674,581)</u>
<b>Net position at end of year</b>	<u><u>\$ (734,343)</u></u>

*The accompanying notes are an integral part of these financial statements.*

**UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA**

**GOVERNMENTAL FUND - GENERAL FUND  
BALANCE SHEET  
AS OF DECEMBER 31, 2018**

**ASSETS**

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Assets:	
Cash and cash equivalents	\$ 154,926
Receivables, net of allowance for uncollectibles	<u>663,908</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 818,834</u></u></b>

**LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES**

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Liabilities:	
Accounts payable	\$ 14,480
Payroll and related liabilities	<u>24,867</u>
Total liabilities	<u><u>39,347</u></u>
 Deferred inflows:	
Unavailable ad valorem tax revenue	74,801
 Fund balances:	
Unassigned	<u>704,686</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b><u><u>\$ 818,834</u></u></b>

*The accompanying notes are an integral part of these financial statements.*

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2018

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Amounts reported for governmental activities in the statement of net position are different because:

<b>Total fund balance</b>	<b>\$ 704,686</b>
Capital assets used in governmental activities are not financial resources and, therefore, are deferred in the fund statements.	<b>398,631</b>
Deferred inflows in the governmental fund balance sheet are recognized as revenue in the statement of activities and are not included in the statement of net position.	<b>74,801</b>
Deferred items related to net OPEB liability:	
Deferred inflows	<b>(201,089)</b>
Deferred items related to net pension liability:	
Deferred outflows	<b>281,966</b>
Deferred inflows	<b>(186,892)</b>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund statements.	
Long-term debt	<b>(158,000)</b>
Net OPEB obligation	<b>(1,463,077)</b>
Net pension liability	<b>(185,369)</b>
<b>Net position of governmental activities</b>	<b><u>\$ (734,343)</u></b>

*The accompanying notes are an integral part of these financial statements.*

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

GOVERNMENTAL FUND - GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2018

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Revenues:	
Ad valorem taxes	\$ 756,212
Payments in lieu of taxes	4,173
Charges for services	2,030
Interest earned	3,346
Total revenues	<u>765,761</u>
Expenditures:	
Current - general government:	
Personal services and related expenses	625,777
Operating services	127,593
Materials and supplies	4,777
Travel, training, and meetings	25,087
Debt service - principal	20,000
Debt service - interest	7,016
Capital outlay	9,058
Total expenditures	<u>819,308</u>
<b>Net change in fund balance</b>	<b>(53,547)</b>
Fund balance at beginning of year	<u>758,233</u>
<b>Fund balance at end of year</b>	<b><u>\$ 704,686</u></b>

*The accompanying notes are an integral part of these financial statements.*

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT  
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE TO THE STATEMENT OF ACTIVITIES  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

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**Amounts reported for governmental activities in the statement of net position are different because:**

**Net change in fund balance** **\$ (53,547)**

Payments of long-term debt, including contributions to the OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.

Payments on long-term debt	20,000
OPEB expense	(62,817)
Pension expense	(93,771)

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.

Depreciation expense	(24,974)
Capital asset additions	9,058

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. They are reported as unavailable revenues, a deferred inflow.

Unavailable ad valorem taxes (received more than 60 days after year end)	74,801
Ad valorem tax revenues recognized in the fund financial statements this year but government-wide statements last year	(57,300)
Nonemployer contributions to pension plan	128,788

**Change in net assets of governmental activities** **\$ (59,762)**

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*The accompanying notes are an integral part of these financial statements.*

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, Union Parish Assessor (the Assessor) is elected by the voters of the parish and serves a term of four years. The Assessor assesses all real and movable property in the parish subject to ad valorem taxation, prepares tax rolls, and submits the rolls to the Louisiana Tax Commission and other governmental bodies as prescribed by law. The Assessor is authorized to appoint as many deputies as necessary for the efficient operation of the office and to provide assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the Assessor is officially and pecuniarily responsible for the actions of the deputies.

GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Assessor is considered a component unit of the Union Parish Police Jury since it is fiscally dependent on the Union Parish Police Jury for office space and related utility costs. For the purposes of this financial report, this component unit serves as the nucleus for its own financial reporting entity and issues separate financial statements.

At December 31, 2018, there are approximately 22,000 real, movable, and public service assessment listings.

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

**Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. The Assessor has only one fund, the General Fund, a governmental fund.

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

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem taxes are recognized as revenues in the year for which they are levied.

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

Ad valorem taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Assessor.

The Assessor reports one governmental fund, the General Fund, which is the Assessor's primary operating fund. It accounts for all of the Assessor's financial resources.

Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Receivables and payables**

All trade and ad valorem tax receivables are shown net of an allowance for uncollectibles, when material.

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

As provided by Louisiana Revised Statute 47:1925, the Assessor is authorized to levy an ad valorem tax in lieu of pro rata deductions from ad valorem taxing authorities. For the year ended December 31, 2018, the Assessor levied 4.97 mills to provide funding for the office.

Ad valorem tax revenues that are not expected to be collected within sixty days of year end are presented as “unavailable ad valorem tax revenue”, a deferred inflow, in accordance with paragraph 30 of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

The following are the principal taxpayers and related property tax revenue for the Assessor:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue</u>
Midcontinent Express Pipeline, LLC	\$ 17,711,320	9.42%	\$ 1,406,742
Foster Poultry Farms	11,860,750	6.31%	907,930
Gulf Crossing Pipeline Company	9,701,080	5.16%	777,792
Claiborne Electric Coop.	5,240,060	2.79%	425,993
Enable Gas Transmission, LLC	3,337,190	1.77%	265,946
Enervest Operating Company	2,952,536	1.57%	230,119
Entergy Louisiana, Inc.	2,660,790	1.42%	215,654
Weyerhaeuser Company	1,880,989	1.00%	155,544
CenturyTel Service Group, LLC	1,993,526	1.06%	155,116
Trans-Union Interstate Pipeline	1,380,630	0.73%	115,632
Totals	<u>\$ 58,718,871</u>	<u>31.23%</u>	<u>\$ 4,656,468</u>

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Budgets**

The Assessor uses the following budget practices:

The Assessor adopted an operating budget on a basis consistent with generally accepted accounting principles on his governmental fund for the year ended December 31, 2018, as required by generally accepted accounting principles as applicable to governmental units and as required by Louisiana law. Budgetary data is prepared based on prior-year actual operating revenues and expenditures, and expected differences between actual and anticipated revenues and expenditures. The budget is monitored by management and amended throughout the year as necessary.

The 2018 budget for the general fund was authorized by the Assessor, made available for public inspection at the Assessor's office, and adopted by the Assessor. The Assessor amended the budget prior to the end of the year.

The budget is established and controlled by the Assessor at the object level of expenditure. Appropriations lapse at the end of the year and must be appropriated for the following year to be expended.

**Cash and cash equivalents**

Cash includes amounts in interest-bearing demand deposits and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Assessor may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Cash deposits are reported at carrying amounts, which reasonably approximate fair value.

**Investments**

Under state law, the Assessor may invest in United States bonds, notes, or certificates. If the original maturities of investments exceed 90 days, they are classified as investments. However, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**Inventories**

Inventories are accounted for using the consumption method, where expenditures are recognized as the inventory is used. All purchased inventory items are valued at cost using the first-in/first-out method.

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Capital assets**

Capital assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. The capitalization threshold for equipment is \$1,000. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Buildings	30
Furniture and equipment	5-10
Vehicles	5-7

**Deferred inflows**

GASB Concepts Statement No. 4 defines a deferred inflow of resources as an acquisition of net assets by the government that is applicable to a future reporting period. GASB Statement No. 65 requires amounts that are not available to be presented as deferred inflows. As discussed above, ad valorem tax revenue is not considered available and is therefore not recognized as revenue if it is not collected within sixty days after year end. Therefore, the amount that is collected or estimated to be collected more than sixty days after year end is presented as unavailable ad valorem tax revenue, a deferred inflow.

**Compensated absences**

All employees receive from ten to twenty days of noncumulative vacation leave each year, depending on length of service. Employees earn eighteen days of noncumulative sick leave each year. At December 31, 2018, there are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure.

**Fund Balance Classifications and Net Position**

Fund balances are reported under the following fund balance classifications:

Non-spendable	Includes fund balance amounts that cannot be spent either because it is not in spendable form or are legally or contractually required to be maintained intact.
Restricted	Includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
Committed	Includes amounts that can only be used for specific purposes pursuant to constraints that are internally imposed by the government through formal action of the Assessor and does not lapse at year-end.

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Fund Balance Classifications and Net Position (Continued)**

Assigned	Includes amounts that are constrained by the Assessor's intent to be used for specific purposes that are neither considered restricted or committed.
Unassigned	Includes amounts that have not been assigned to other funds and that have not been restricted, committed or assigned to specific purposes within the General Fund. Negative fund balances in other governmental funds can also be classified as unassigned.

The Assessor has a general policy to first use restricted resources for expenditures incurred for which both restricted and unrestricted (committed, assigned, and unassigned) resources are available. When expenditures are incurred for which only unrestricted resources are available, the general policy of the Assessor is to use committed resources first, followed by assigned, and then unassigned. The use of restricted/committed resources may be deferred based on a review of the specific transaction.

The difference between assets and liabilities is "net position" on the government-wide, proprietary, and fiduciary fund statements. Net position is segregated into three categories on the government-wide statement of net position:

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, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations. The Assessor first uses restricted net position for expenses incurred when both restricted and unrestricted net position are available for use. The use of restricted net position may be deferred based on a review of the specific transaction.

Unrestricted net position – The balance of net position that does not meet the definition of "restricted" or "net investment in capital assets."

*Reconciliation of Government-wide and Fund Financial Statements*

The governmental fund balance sheet includes a reconciliation of the government-wide statements to the governmental fund financial statements. This reconciliation is necessary to bring the financial statements from the current financial resources measurement focus and modified accrual basis of accounting to the economic measurement focus and full accrual basis of accounting. Major items included in the reconciliation are capital assets, inventories and prepaid expenses, long-term debt, accrued interest, long-term liabilities, and deferred revenue, which are shown on the government-wide but not the governmental fund statements.

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates

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

NOTE 2 – CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that, in the event of a bank failure, deposits of the Assessor's office may not be returned to the Assessor. The Assessor's policy to ensure that there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Assessor that the fiscal agent bank has failed to pay deposited funds upon demand.

At December 31, 2018, the Assessor has cash and cash equivalents (book balances) totaling \$154,926 as follows:

<b>Cash and cash equivalents:</b>	
Demand deposits	\$ 54,398
Time deposits	100,000
Other	528
<b>Total</b>	<b>\$ 154,926</b>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of December 31, 2018, all of the Assessor's bank balances of \$177,882 were covered by federal deposit insurance and pledged securities as follows:

Insured by FDIC	\$ 177,882
Uninsured and uncollateralized	-
Collateralized by pledged securities not in the Assessor's name	-
Total balances exposed to custodial credit risk	-
<b>Total bank balances</b>	<b>\$ 177,882</b>

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 3 – RECEIVABLES

The following is a summary of receivables at December 31, 2018:

<b>Receivables:</b>	
Taxes and licenses	\$ 701,801
Less allowance for uncollectibles	<u>(37,893)</u>
<b>Net total receivables</b>	<b><u>\$ 663,908</u></b>

An allowance has been recorded based on historical collection issues with taxes on movable property which is not included in the sheriff's sale.

NOTE 4 – CAPITAL ASSETS

A schedule of changes in capital assets for the year ended December 31, 2018, follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
<b>Capital assets being depreciated:</b>				
Buildings	\$ 451,000	\$ -	\$ -	\$ 451,000
Furniture and equipment	135,990	9,058	-	145,048
Vehicles	50,573	-	-	50,573
Total capital assets being depreciated	<u>637,563</u>	<u>9,058</u>	<u>-</u>	<u>646,621</u>
<b>Less accumulated depreciation for:</b>				
Buildings	83,181	13,983	-	97,164
Furniture and equipment	90,348	9,904	-	100,252
Vehicles	49,487	1,087	-	50,574
Total accumulated depreciation	<u>223,016</u>	<u>24,974</u>	<u>-</u>	<u>247,990</u>
Total capital assets being depreciated	<u>414,547</u>	<u>(15,916)</u>	<u>-</u>	<u>398,631</u>
Governmental activities, capital assets, net	<u>\$ 414,547</u>	<u>\$ (15,916)</u>	<u>\$ -</u>	<u>\$ 398,631</u>

The assets acquired through the capital lease are as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
Building	<u>\$ 325,000</u>	<u>\$ (86,664)</u>	<u>\$ 238,336</u>

UNION PARISH ASSESSOR  
 FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 5 – CAPITAL LEASE

The Assessor has entered into a cooperative endeavor agreement with the Union Parish Police Jury for the purpose of acquiring a public building. This agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of the minimum lease payments as of December 31, 2018, are as follows:

<u>Year Ending Dec. 31</u>	
2019	\$ 26,376
2020	26,676
2021	26,899
2022	27,041
2023	26,098
2024-2025	<u>52,232</u>
Totals	185,322
Less amount representing interest	<u>(27,322)</u>
Present value of minimum lease payments	<u>\$ 158,000</u>

NOTE 6 – LONG-TERM DEBT

Long-term obligation transactions for the year ended December 31, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
<b>Governmental activities:</b>					
Capital lease payable	<u>\$ 178,000</u>	<u>\$ (20,000)</u>	<u>\$ 158,000</u>	<u>\$ 20,000</u>	<u>\$ 138,000</u>

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 7 – LOUISIANA ASSESSORS' RETIREMENT SYSTEM

**Louisiana Assessors' Retirement Fund (Fund)**

The Union Parish Assessor contributes to the Louisiana Assessors' Retirement Fund which is a cost-sharing, multiple-employer, defined benefit pension plan. Substantially, all employees participate in the Plan. The Louisiana Assessors' Retirement Fund was created by Act 91 Section 1 of the 1950 regular Legislative Session. The Fund was created by Act 91 Section 1 of the 1950 regular Legislative Session, and it functions 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 Fund is a condition of employment for Assessors and their full-time employees.

Any member of the Fund who was hired prior to October 1, 2013, can retire providing he/she meets one of the following criteria:

1. Any age after 30 years of creditable service.
2. Age 55 after 12 years of creditable service.

Eligibility for retirement for members hired on or after October 1, 2013, is as follows:

1. Age 60 after 12 years of creditable service.
2. Age 55 after 30 years of creditable 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 benefits 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.

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FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 7 – LOUISIANA ASSESSORS' RETIREMENT SYSTEM (CONTINUED)

*Death Benefits*

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

1. If a member of the Fund dies in service with less than 12 years of creditable service and leaves a surviving spouse, their accumulated contributions shall be paid to the surviving spouse.
2. If a member dies and has 12 or more years of creditable service and is not eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the joint and survivorship amounts provided in Option 2 as provided for in R.S. 11:1423, which shall cease upon a subsequent remarriage, or a refund of the member's accumulated contributions, whichever the spouse elects to receive.
3. If a member dies and is eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the Option 2 benefits provided for in R.S. 11:1423, which shall not terminate upon a subsequent 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.

For the year ended December 31, 2018, the Union Parish Assessor's total payroll for all employees was \$372,576. Total covered payroll was \$372,576. Covered payroll refers to all compensation paid by the Union Parish Assessor to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund. The report may be obtained by writing to the Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 7 – LOUISIANA ASSESSORS' RETIREMENT SYSTEM (CONTINUED)

*Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2018, the actual employer contribution rate was 8.00%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The Union Parish Assessor's contributions to the Fund for the year ending December 31, 2018 were \$29,806.

Members are required by state statute to contribute 8.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Union Parish Assessor to the Fund monthly.

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

At December 31, 2018, the Assessor reported a liability of \$185,369 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of September 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Union Parish Assessor's proportion of the Net Pension Liability was based on a projection of the Union Parish 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 proportion was 0.95353%, which was an increase of 0.08013% from its proportion measured as of September 30, 2017.

For the year ended December 31, 2018, the Union Parish Assessor recognized pension expense of \$114,074 plus the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$20,303). Total pension expense for the Union Parish Assessor for the year ended December 31, 2018 was \$93,771.

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 7 – LOUISIANA ASSESSORS’ RETIREMENT SYSTEM (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$13,987	\$84,869
Changes in assumptions	237,868	-
Net difference between projected and actual earnings on pension plan	-	94,379
Changes in employer’s proportion of beginning net pension liability	22,337	3,127
Differences between employer and proportionate share of contributions	322	4,518
Subsequent measurement contributions	7,452	-
Total	\$281,966	\$186,892

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

Year ended December 31,	
2019	\$52,289
2020	(14,297)
2021	(1,926)
2022	27,263
2023	24,295

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 7 – LOUISIANA ASSESSORS’ RETIREMENT SYSTEM (CONTINUED)

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of September 30, 2018, are as follows:

Valuation Date	September 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	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 Disabled Lives Mortality Tables set back five years for males and three years for females

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

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real estate	4.50%
Alternative Assets	6.24%

UNION PARISH ASSESSOR  
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NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 7 – LOUISIANA ASSESSORS’ RETIREMENT SYSTEM (CONTINUED)

*Discount Rate*

The long-term expected rate of return selected for this report by the Fund was 6.25%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and 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%.

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 of the Union Parish Assessor’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the Union Parish Assessor’s proportionate share of the net pension liability calculated using the discount rate of 6.25%, as well as what the Fund’s proportionate share of the 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 rate:

	1.0% Decrease (5.25%)	Current Discount Rate (6.25%)	1.0% Increase (7.25%)
Employer’s proportionate share of net pension liability	\$623,475	\$185,369	(\$189,962)

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**NOTE 7 – LOUISIANA ASSESSORS' RETIREMENT SYSTEM (CONTINUED)**

*Payables to the Pension Plan*

These financial statements include a payable to the pension plan of \$2,484, which is the legally required contribution due at December 31, 2018. This amount is recorded in accrued expenses.

*Plan Fiduciary Net Position*

Detailed information about the Fund's fiduciary net position is available in the separately issued Louisiana Assessors' Retirement Fund Audit Report.

**NOTE 8 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

**General Information about the OPEB Plan**

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

*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 hired on and after October 1, 2013 are not able to retire or enter DROP until age 60 with 12 years of service; or, age 55 with 30 years of service. The retiree must also have 20 years of service for the retiree to receive employer contributions.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at age 70 or at retirement.

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

Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	7
Total	<u>10</u>

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FARMERVILLE, LOUISIANA

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NOTE 8 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS  
(CONTINUED)

Total OPEB Liability

The Assessor's total OPEB liability of \$1,463,077 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

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

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.44% annually (Beginning of Year to Determine ADC) 4.10%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

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 the Total OPEB Liability

Balance at December 31, 2017 (restated)	<u>\$ 1,601,349</u>
Changes for the year:	
Service Cost	\$ 59,587
Interest	56,111
Differences between expected and actual experience	(46,131)
Changes in assumptions	(171,715)
Benefit payments and net transfers	<u>(36,124)</u>
Net Changes	<u>\$ (138,272)</u>
Balance at December 31, 2018	<u>\$ 1,463,077</u>

*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%) or 1-percentage-point higher (5.10%) than the current discount rate:

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NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 8 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS  
(CONTINUED)

	1.00% Decrease (3.10%)	Current Discount (4.10%)	1.00% Increase (5.10%)
Total OPEB Liability	<u>\$ 1,738,027</u>	<u>\$ 1,463,077</u>	<u>\$1,245,283</u>

*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 (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.00% Decrease (4.50%)	Current Discount (5.50%)	1.00% Increase (6.50%)
Total OPEB Liability	<u>\$ 1,264,869</u>	<u>\$ 1,463,077</u>	<u>\$1,719,943</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2018, the Assessor recognized OPEB expense of \$98,941. 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
Difference between expected and actual experience	\$ -	\$ (42,583)
Changes in assumptions	-	(158,506)
Total	<u>\$ -</u>	<u>\$ (201,089)</u>

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

Years ending December 31:	
2019	\$ (16,757)
2020	(16,757)
2021	(16,757)
2022	(16,757)
2023	(16,757)
Thereafter	(117,302)

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS  
(CONTINUED)**

Total OPEB Liability	
Service cost	\$ 59,587
Interest	56,111
Changes of benefit terms	-
Difference between expected and actual experience	(46,131)
Changes of assumptions	(171,715)
Benefit payments	<u>(36,124)</u>
Net change in total OPEB liability	\$ (138,272)
Total OPEB liability - beginning (restated)	\$ 1,601,349
Total OPEB liability - ending	<u>\$ 1,463,077</u>
Covered-employee payroll	<u>\$ 358,079</u>
Net OPEB liability as a percentage of covered-employee payroll	408.59%

**Notes to schedule:**

*Benefit Changes.*

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

*Changes of Assumptions.*

The discount rate as of 12/31/2017 was 3.44% and it changed to 4.10% as of 12/31/2018.

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

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

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NOTE 9 – NEW ACCOUNTING STANDARDS

Issued in June of 2015, GASB Statement 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, and GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, aim to improve accounting and financial reporting for OPEB, resulting from a comprehensive review of the effectiveness of existing standards. The requirements of these Statements will improve financial reporting through enhanced note disclosures and schedules of RSI that will be presented by OPEB plans. These Statements establish standards for recognizing and measuring liabilities, deferred outflows and inflows of resources, and expenses/expenditures. GASB 74 is effective for years beginning after May 26, 2016, and GASB 75 is effective for years beginning after June 15, 2017. The Assessor is not impacted by the provisions of this Statement.

GASB Statement No. 80, Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14, was issued in January 2016. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged. This statement does not affect the Assessor's financial statements.

GASB Statement No. 81, Irrevocable Split-Interest Agreements, was issued in March 2016. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged. This statement does not affect the Assessor's financial statements.

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

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NOTE 9 – NEW ACCOUNTING STANDARDS (CONTINUED)

GASB Statement No. 82, Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73, was issued in March 2016. This Statement clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statement 67, Statement 68, or Statement 73 for the selection of assumptions used in determining the total pension liability and related measures. This Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged. This statement will not have a significant effect on the Assessor's financial statements.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued in November 2016. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. This statement is not expected to affect the Assessor's financial statements.

GASB Statement No. 84, *Fiduciary Activities*, was issued in January 2017. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. This statement is not expected to affect the Assessor's financial statements.

GASB Statement No. 85, *Omnibus 2017*, was issued in March 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. This statement is not expected to have a significant impact on the Assessor's financial statements.

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

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NOTE 9 – NEW ACCOUNTING STANDARDS (CONTINUED)

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, was issued in May 2017. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. This statement is not expected to affect the Assessor’s financial statements.

GASB Statement No. 87, *Leases*, was issued in June 2017. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was issued in April 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

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GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, was issued in June 2018. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*, was issued in August 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

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**NOTE 10 – CONTINGENCIES**

There was no litigation pending at December 31, 2018.

**NOTE 11 – RISK MANAGEMENT**

The Assessor is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

**NOTE 12 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 27, 2019, the date on which the financial statements were available to be issued.

**NOTE 13 – PRIOR PERIOD ADJUSTMENT**

The Assessor adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This standard requires that the Assessor's beginning net position be restated to reflect the effects of this change in accounting principle. The following provides a summary of the change in the total net position as of December 31, 2018 in the government-wide financial statements:

	<u>Activities</u>
Net Position - December 31, 2017 - as previously reported	\$ (141,360)
Adjustment to OPEB liability for implementation for GASB No. 75	<u>(533,221)</u>
Net Position - December 31, 2017 - restated	<u><u>\$ (674,581)</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION**

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

GOVERNMENTAL FUND - GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
<b>Revenues:</b>				
Ad valorem taxes	\$ 730,000	\$ 709,000	\$ 756,212	\$ 47,212
Payments in lieu of taxes	4,000	4,000	4,173	173
Charges for services	2,000	2,000	2,030	30
Interest earned	1,000	3,000	3,346	346
Total revenues	<u>737,000</u>	<u>718,000</u>	<u>765,761</u>	<u>47,761</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Personal services and related expenses	616,000	630,000	625,777	(4,223)
Operating services	121,000	147,000	127,593	(19,407)
Materials and supplies	12,000	4,000	4,777	777
Travel, training, and meetings	21,000	24,000	25,087	1,087
Debt service	28,000	27,000	27,016	16
Capital outlay	15,000	10,000	9,058	(942)
Total expenditures	<u>813,000</u>	<u>842,000</u>	<u>819,308</u>	<u>(22,692)</u>
<b>Net change in fund balances</b>	(76,000)	(124,000)	(53,547)	70,453
Fund balance at beginning of year, restated	772,000	794,000	758,233	(35,767)
<b>Fund balance at end of year</b>	<u>\$ 696,000</u>	<u>\$ 670,000</u>	<u>\$ 704,686</u>	<u>\$ 34,686</u>

Note: The schedule is prepared on the modified accrual basis of accounting

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

EMPLOYEE HEALTH CARE PLAN  
SCHEDULE OF FUNDING PROGRESS  
AS OF DECEMBER 31, 2018

**GASB 75:**

Measurement Date	Fiduciary Net Position	Total OPEB Liability - Entry Age Normal Percentage of Salary	Net OPEB Liability	Funded Ratio	Covered Payroll	Net OPEB Liability as a Percentage of Covered Payroll
December 31, 2018	\$ -	\$ 1,463,077	\$ 1,463,077	0.00%	\$ 358,079	408.59%

**GASB 45:**

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
December 31, 2017	\$ -	\$1,440,417	\$1,440,417	0%	\$ 372,577	386.61%
December 31, 2016	\$ -	\$1,440,417	\$1,440,417	0%	\$ 372,577	386.61%
December 31, 2015	\$ -	\$1,566,533	\$1,566,533	0%	\$ 366,650	427.26%
December 31, 2014	\$ -	\$1,506,282	\$1,506,282	0%	\$ 330,522	455.73%
December 31, 2013	\$ -	\$1,448,348	\$1,448,348	0%	\$ 298,467	485.26%

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

**UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA**

**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
FOR THE YEAR ENDED DECEMBER 31, 2018**

<b>Description</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Employer's proportion of the net pension liability (asset)	0.95353%	0.87340%	0.85149%	0.86784%
Employer's proportionate share of the net pension liability (asset)	\$ 185,369	\$ 153,256	\$ 300,466	\$ 454,160
Employer's covered employee payroll	\$ 372,576	\$ 372,576	\$ 371,182	\$ 366,650
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	49.75%	41.13%	80.95%	123.87%
Plan fiduciary net pension as a percentage of the total pension liability	95.46%	95.61%	90.68%	85.57%

Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

UNION PARISH ASSESSOR  
 FARMERVILLE, LOUISIANA

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2018

Description	2018	2017	2016	2015
Contractually required contribution	\$ 29,806	\$ 35,395	\$ 47,038	\$ 49,498
Contributions in relation to contractually required contribution	\$ 29,806	\$ 35,395	\$ 47,038	\$ 49,498
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered employee payroll	\$ 372,576	\$ 372,576	\$ 371,182	\$ 366,650
Contributions as a percentage of covered employee payroll	8.00%	9.50%	12.67%	13.50%

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

**OTHER SUPPLEMENTAL INFORMATION**

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS  
AND OTHER PAYMENTS TO ASSESSOR  
FOR THE YEAR ENDED DECEMBER 31, 2018

Description	Amount
Salary per LRS 47:1907	\$ 130,479
Expense allowance per LRS 47:1907	14,498
Medicare	2,220
Benefits:	
Health and life insurance	10,207
Retirement	23,196
Deferred compensation	9,000
Conference registration fees	375
Dues:	
Louisiana Assessors' Association	3,605
IAAO	210
Reimbursement for cell phone	1,440
Travel advances	2,268
Adobe Pro DC License	189
	<u>\$ 197,687</u>

## **OTHER REPORTS**



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 Lance Futch**  
**Union Parish Assessor**  
**Farmerville, Louisiana**

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Louisiana Governmental the financial statements of the governmental activities and the General Fund of Union Parish Assessor, 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 27, 2019.

**Internal Control over Financial Reporting**

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

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

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

Union Parish Assessor  
Farmerville, Louisiana  
Independent Auditor's Report - GAGAS  
December 31, 2018

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

BOSCH & STATHAM, LLC



Ruston, Louisiana  
June 27, 2019

**UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Union Parish Assessor.
2. No significant deficiencies are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the Union Parish Assessor were disclosed during the audit.

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

No findings were reported.

**C. STATUS OF PRIOR YEAR FINDINGS**

No prior year findings reported.

June 27, 2019

Bosch & Statham, LLC  
Post Office Box 2377  
Ruston, Louisiana 71273-2377

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period January 1, 2018 through December 31, 2018, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel-related expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas (should be customized by entity, as applicable).  

Yes  No
2. For the fiscal period January 1, 2018 through December 31, 2018, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.  

Yes  No
3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.  

Yes  No
4. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.  

Yes  No
5. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between December 31, 2018, and June 27, 2019.  

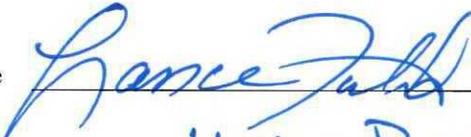
Yes  No
6. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.  

Yes  No

7. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.
- Yes  No
8. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.
- Yes  No
9. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.
- Yes  No
10. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.
- Yes  No
11. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.
- Yes  No
12. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.
- Yes  No
13. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.
- Yes  No
14. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.
- Yes  No
15. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.
- Yes  No
16. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.
- Yes  No
17. We represent that the 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 during the fiscal period.

- Yes  No
18. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.
- Yes  No
19. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.
- Yes  No
20. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.
- Yes  No
21. We have disclosed to you *[list other matters as you have deemed appropriate]*.
- Yes  No
22. We have responded fully to all inquiries made by you during the engagement.
- Yes  No
23. We are not aware of any events that have occurred subsequent to December 31, 2018, that would require adjustment to or modification of the results of the agreed-upon procedures.
- Yes  No

**The previous responses have been made to the best of our belief and knowledge.**

Signature  Date June 27, 2019

Title Assessor, Union Parish



Independent Accountant's Report  
on Applying Agreed-Upon Procedures

To the Union Parish Assessor  
and the Louisiana Legislative Auditor

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

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

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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

*We obtained and inspected the written policies and procedures.*

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

*We noted no exceptions. However, the policies could be more specific as to procedures to be followed to ensure compliance.*

*Exceptions: None*

- 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.

*The policy does not address how purchases are initiated or how vendors are added to the vendor list. The policies to ensure compliance with the bid law could be more specific.*

*Exceptions: See above.*

*Management's Response: See Management's Corrective Action Plan*

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

*The policy does not address management's actions to determine completeness of collections.*

*Exceptions: See above*

*Management's Response: See Management's Corrective Action Plan*

- d) **Receipts**, 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).

*The policy does not address management's actions to determine completeness of collections.*

*Exceptions: See above*

*Management's Response: See Management's Corrective Action Plan*

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

*The policy does not address payroll processing specifically.*

*Exceptions: See above.*

*Management's Response: See Management's Corrective Action Plan*

- 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

*The policy from December of 2017 does includes all the required elements except for the (3) legal review. The updated policy from February of 2018 includes all of the required elements.*

*Exceptions: See above.*

*Management's Response: See Management's Corrective Action Plan*

- 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)

*The policy addresses all the required elements.*

*Exceptions: None*

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

*The policy addresses all the required elements except for the (2) dollar thresholds by category of expense.*

*Exceptions: See above.*

*Management's Response: See Management's Corrective Action Plan*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

*The policy addresses all of the required elements.*

*Exceptions: None*

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

*The Assessor does not have a debt service policy.*

*Exceptions: See above*

*Management's Response: See Management's Corrective Action Plan*

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

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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:

*N/A*

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

*N/A*

- 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. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

*N/A*

- 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.

*N/A*

***Bank Reconciliations***

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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:

*We obtained a listing of bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account, which is the Assessor's only account. We randomly selected one month from the fiscal period and obtained and inspected the necessary documents for the main operating account.*

*Exceptions: None*

- 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);

*The bank reconciliation included evidence that it was prepared within two months of the related statement closing date.*

*Exceptions: None*

- 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);

*The reconciliation included evidence that the Assessor has reviewed the bank reconciliation. There was a signature but no date.*

*Exceptions: See above*

*Management's Response: See management's corrective action plan.*

- 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.

*The reconciliation included several items that have been outstanding for more than 12 months. There was no indication that management researched the items.*

*Exceptions: See above*

*Management's Response: See management's corrective action plan.*

#### **Collections**

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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).

*We obtained a listing of deposit sites for the fiscal period where deposits for cash, checks, and money orders are prepared and management's representation that the listing is complete. There was only one site listed.*

*Exceptions: None*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

*For the deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. Since there was only one deposit site, there was only one collection location selected. We obtained and inspected written policies and procedures relating to employee job duties.*

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

*The Assessor's office only has one cash drawer, and all employees share that cash drawer.*

*Exceptions: See above.*

*Management's Response: See management's corrective action plan.*

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

*Employees primarily responsible for collecting cash are not responsible for preparing/making bank deposits. Deposits are prepared and taken to the bank by the Chief Deputy.*

*Exceptions: None*

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

*Employees responsible for collecting cash are not responsible for posting to the general ledger.*

*Exceptions: None*

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

*There are no employees who reconcile cash collections to the general ledger.*

*Exceptions: See above.*

*Management's Response: See management's corrective action plan.*

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

*Employees who collect cash are not covered by a bond or insurance policy for theft.*

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

*The Assessor only had one bank account open for the fiscal period. We randomly selected two deposit dates for the bank account and obtained supporting documentation for both deposits selected.*

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

*We noted receipts are sequentially pre-numbered.*

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

*We noted no exceptions.*

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

*We noted no exceptions.*

- 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).

*We noted one of the deposits was made within one day of collection. The other deposit was comprised of multiple receipts, with the earliest receipt being collected 19 days before deposit. Since the deposit was less than \$100, three of the eight receipts that make up this deposit were deposited within one week of collection. Five of the eight receipts were not deposited within one week of collection.*

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

*We noted no exceptions.*

*Exceptions: See above.*

*Management's Response: See management's corrective action plan.*

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

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

*We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. The Assessor only has one location that processes payments; therefore it was the only location selected for testing.*

*Exceptions: None*

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:

*For the location selected, we obtained a listing of employees involved with non-payroll purchasing and payment functions. We obtained the written policies and procedures relating to employee job duties and observed 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.

*Most purchases are initiated by the Assessor which are not required to be approved. Purchases that are initiated by the Chief Deputy are approved by the Assessor.*

*Exceptions: See above*

*Management's Response: See management's corrective action plan.*

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

*We noted there are at least two employees involved in processing and approving payments to vendors.*

*Exceptions: None*

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

*The employee responsible for processing payments is allowed to add/modify vendor files.*

*Exceptions: See above.*

*Management's Response: See management's corrective action plan.*

- 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.

*The employee responsible for signing checks does give the checks to an employee who is not responsible for processing payments for mailing.*

*Exceptions: None*

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:

*We obtained the entity's non-payroll disbursement transaction population and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location and supporting documentation.*

*Exceptions: None*

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

*We noted all disbursements matched the related invoice.*

*Exceptions: None*

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

*We noted 4 out of 5 disbursements did not document evidence of segregation of duties. One disbursement of the five disbursements documented evidence of segregation of duties.*

*Exceptions: See above*

*Management's Response: See management's corrective action plan.*

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

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

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

*Exceptions: None*

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:

*We obtained supporting documentation for one monthly statement for each of the three cards listed.*

- 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.]

*The agency is an Assessor's office. As the sole elected official of the agency, he has the legal authority to authorize charges without review by another party. Therefore, we note no exceptions.*

*Exceptions: None*

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

*We noted no exceptions.*

*Exceptions: None*

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).

*There were less than ten charges on each selected statement. Therefore, excluding the fuel card, we selected all transactions for testing. We obtained the available supporting documentation for each transaction.*

*1) We inspected original itemized receipts for seven out of eight transactions tested.*

*2) We inspected documentation of the business/public purpose for seven out of eight transactions tested.*

*3) There were no meal charges within the transactions selected for testing.*

*Exceptions: See above*

*Management's Response: See management's corrective action plan.*

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

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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:

*N/A*

- 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](http://www.gsa.gov)).

*N/A*

- b) 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](http://www.gsa.gov)).

*N/A*

- 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).

*N/A*

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

*N/A*

*Contracts*

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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:

*We obtained 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. We obtain management's representation that the listing is complete. We randomly selected 5 contracts from the listing.*

*Exceptions: None*

- 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.

*We did not identify any contracts that were subject to the bid law.*

*Exceptions: None*

- 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).

*The agency has no governing board. Per the agency's policy, the Assessor is responsible for final approval of all contracts. We noted no exceptions to policy.*

*Exceptions: None.*

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

*We noted one of the five contracts was amended. The original contract terms did provide for such an amendment.*

*Exceptions: None*

- 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.

*We randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, and compared the invoice to the contract terms, and compared the invoice and related payment agreed to the terms and conditions of the contract. We noted one exception. One contract was entered into by the former Assessor. There is no official written contract.*

*Exceptions: See above.*

*Management's Response: See management's corrective action plan.*

*Payroll and Personnel*

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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.

*We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected five employees, obtained personnel files, and compared paid salaries to prior to identify any changes.*

*Exceptions: None*

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:

*We randomly selected one pay period during the fiscal period. For the five employees selected under #16 above, we obtained leave documentation for the pay period. The Assessor does not require the employees to keep attendance records.*

- 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.)

*We randomly selected one pay period during the fiscal period. For the five employees selected under #16 above, we obtained leave documentation for the pay period. The Assessor does not require the employees to keep attendance records.*

*Exceptions: See above.*

*Management's Response: See Management's Corrective Action Plan.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

*None of the leave records were approved by a supervisor.*

*Exceptions: See above.*

*Management's Response: See Management's Corrective Action Plan.*

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*One of the five employees took leave during the selected pay period and it was reflected in the cumulative leave records.*

*Exceptions: None*

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.

*Management represented that none of the employees received termination payments during the fiscal period.*

*Exceptions: None*

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.

*We obtained 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.*

*Exceptions: None*

### Ethics

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

*Using the selected employees, we obtained the documentation.*

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*We observed 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.

*Employees did not sign a form during 2018. However, the Assessor obtained signed forms from all employees during fieldwork.*

### Debt Service

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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.

*Management represented that no new debt was issued during the fiscal period.*

*Exceptions: None*

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.

*We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. The Assessor has only a lease with the police jury to pay for the office building. We noted no covenants or reserve requirements.*

*Exceptions: None*

*Other*

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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.

*The agency represented there were no misappropriations to list.*

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.

*We observed 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.*

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

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

BOSCH & STATHAM, LLC

*Bosch & Statham*

Ruston, Louisiana  
June 27, 2019

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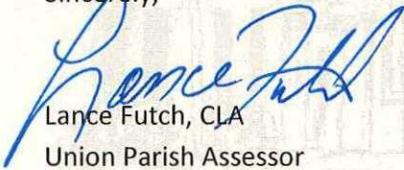
June 27, 2019

Bocsh & Statham, LLC  
P.O. Box 2377  
Ruston, LA 71273-2377

RE: Statewide Agreed Upon Procedures

The Union Parish Assessor will take Bosch & Statham's comments on the statewide agreed upon procedures under advisement and take action as considered necessary. Due to the size of the entity, some of the best practices may not be feasible to implement.

Sincerely,

  
Lance Futch, CLA  
Union Parish Assessor

*Union Parish Courthouse 1904-1960*

CERTIFIED LOUISIANA ASSESSOR  
MEMBER INTERNATIONAL ASSOCIATION OF ASSESSING OFFICERS  
MEMBER OF LOUISIANA ASSESSORS ASSOCIATION