

**ST. LANDRY PARISH ASSESSOR**

Opelousas, Louisiana

Financial Report

Year Ended December 31, 2017

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## Independent Auditor's Report

Honorable Rhyn Duplechain  
 St. Landry Parish Assessor  
 Opelousas, Louisiana

### *Report on Financial Statements*

We have audited the accompanying financial statements of the governmental activities and general fund of the St. Landry Parish Assessor, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the basis 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of St. Landry Parish Assessor, as of December 31, 2017, 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 budgetary comparison information, schedules of funding progress for employee health insurance after retirement, employer's share of net pension liability and employer contribution on pages 37 and 38 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.

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2018 on our consideration of the St. Landry Parish Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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* and should be considered in assessing the results of our audit.

***Dannall, Sikes & Frederick***

A Corporation of Certified Public Accountants

Eunice, Louisiana  
June 20, 2018

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)**

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Statement of Net Position  
December 31, 2017

ASSETS

Assets:	
Cash	\$ 576,649
Investments	1,127,855
Receivables -	
Taxes receivable, net	1,265,547
Tax roll fees receivable	15,710
State revenue sharing receivable	57,208
Interest receivable	2,248
Racino revenue receivable	6,426
Capital assets, net	<u>228,082</u>
Total assets	<u>3,279,725</u>
Deferred outflows of resources:	
Pension related	<u>87,603</u>

LIABILITIES

Current Liabilities:	
Accounts payable	25,642
Long-term liabilities:	
OPEB obligations	963,167
Net pension liability	<u>208,557</u>
Total liabilities	<u>1,197,366</u>
Deferred inflows of resources:	
Pension related	<u>151,624</u>

NET POSITION

Net investment in capital assets	228,082
Unrestricted	<u>1,790,256</u>
Total net position	<u>\$ 2,018,338</u>

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

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Statement of Activities  
Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue And Changes in Net Position Governmental Activities
Governmental Activities:			
General Government	\$ 1,682,326	\$ 47,631	\$ (1,634,695)
	<u>1,682,326</u>	<u>47,631</u>	<u>(1,634,695)</u>
General Revenues:			
Ad valorem taxes			1,311,454
State revenue sharing			57,252
Non-employer pension revenue			157,278
Interest and investment earnings			11,816
Income in lieu of taxes			<u>9,076</u>
Total general revenues			<u>1,546,876</u>
Change in net position			(87,819)
Net position -- December 31, 2016			<u>2,106,157</u>
Net position -- December 31, 2017			<u>\$ 2,018,338</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Balance Sheet  
Governmental Fund  
December 31, 2017

	<u>General Fund</u>
ASSETS	
Cash	\$ 576,649
Investments, at cost	1,127,855
Receivables:	
Ad valorem tax receivable, net of allowance for uncollectibles	1,265,547
Tax roll fees receivable	15,710
State revenue sharing receivable	57,208
Interest receivable	655
Racino revenue receivable	<u>6,426</u>
Total assets	<u>\$ 3,050,050</u>
LIABILITIES AND FUND BALANCE	
Deferred Inflows of resources-	
Unavailable revenues-property taxes	\$ 75,598
Unavailable revenues-tax roll fees	563
Unavailable revenues-state revenue sharing	<u>38,138</u>
Total deferred inflows of resources	<u>114,299</u>
Liabilities:	
Accounts payable and other accrued liabilities	23,236
Accrued taxes payable	<u>2,406</u>
Total liabilities	<u>25,642</u>
Fund balance:	
Unassigned	<u>2,910,109</u>
Total fund balance	<u>2,910,109</u>
Total liabilities and fund balance	<u>\$ 3,050,050</u>

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

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
December 31, 2017

Total fund balance - governmental fund		\$ 2,910,109
<p>The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current-period expenditures are deferred in governmental funds:</p>		
Property taxes	\$ 75,598	
Tax roll fees	563	
State revenue sharing	<u>38,138</u>	114,299
Cost of capital assets at December 31, 2017	\$ 1,008,115	
Less: Accumulated depreciation as of December 31, 2017	<u>(780,033)</u>	228,082
Pension related deferred outflows of resources		87,603
Additional interest receivable on an accrual basis		1,593
Net pension liability		(208,557)
Pension related deferred inflows of resources		(151,624)
Long-term liabilities at December 31, 2017		
Other post-employment benefits payable		<u>(963,167)</u>
Net position at December 31, 2017		<u>\$ 2,018,338</u>

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

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Statement of Revenues, Expenditures, and Changes in  
Fund Balance – Governmental Fund  
Year Ended December 31, 2017

	<u>General Fund</u>
Revenues:	
Taxes	
Ad valorem taxes	\$ 1,337,055
Intergovernmental	
State revenue sharing	53,222
Charges for services	
Racino revenue	29,744
Tax roll fees	25,918
Miscellaneous	
Income in lieu of taxes	9,076
Interest income	4,635
Other	6,760
Total revenues	1,466,410
Expenditures:	
Current -	
Office and administrative	1,522,845
Total expenditures	1,322,845
Net change in fund balance	143,565
Fund balance, beginning	2,766,544
Fund balance, ending	\$ 2,910,109

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

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Reconciliation of the Statement of Revenue, Expenditures, and  
Changes in Fund Balance of Governmental Funds to the  
Statement of Activities  
Year Ended December 31, 2017

Total net change in fund balance for the year ended December 31, 2017, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 143,565
Governmental funds deter revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.	(29,602)
Add: Non-employer contributions to retirement system for the benefit of employees	157,278
Less: Pension expense based on employer contributions	(154,832)
Less: Depreciation expense	(56,599)
Add: Change in accrued receivable	421
Less: Increase in other post-employment benefits	<u>(148,050)</u>
Total change in net position for the year ended December 31, 2017, per Statement of Activities	<u>\$ (87,819)</u>

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

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain significant accounting policies and practices.

A. Financial Reporting Entity

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Landry Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the St. Landry Parish Government to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the St. Landry Parish Government.
2. Organizations for which the St. Landry Parish Government does not appoint a voting majority but are fiscally dependent on the St. Landry Parish Government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the criteria described above, the St. Landry Parish Assessor is not a component unit of the St. Landry Parish Government but is a primary government due to the following:

1. The Assessor is an independently elected official.
2. The Assessor is fiscally independent of the St. Landry Parish Government.
3. The Assessor's office is legally separate from the St. Landry Parish Government.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information on all of the nonfiduciary activities of the Assessor. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS.

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The Assessor uses funds to report on its financial position and the results of its operations. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The fund presented in the financial statements is described as follows:

General Fund. The General Fund is used to account for resources traditionally associated with government which are not required legally to be accounting for in another fund.

C. Measurement Focus/ Basis of Accounting

Measurement focus is the term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus.

In the fund financial statements, the “current financial resources” measurement focus or the economic resources” measurement focus is used as appropriate:

- a. The fund financial statements utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statements utilize an “economic resources” measurement focus. The accounting objective of this measurement focus is the determination of operating income, and changes in net position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

Taxpayer-assessed income is considered “measurable” when assessed and is recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Interest income on investments is recorded when the investments have matured and the income is both measurable and available. All other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

Purchase of various operating supplies are regarded as expenditures at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year, unless significant.

D. Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual appropriated budget is adopted for the General Fund. Operating appropriations lapse at year-end.

E. Encumbrance Accounting

The St. Landry Parish Assessor does not utilize an encumbrance system.

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Investments

Investments are stated at cost, which approximates market. These investments which are certificates of deposit are fully secured through federal depository insurance. Louisiana statutes authorize the Assessor to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, or any other federally insured investment.

G. Capital Assets

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation. Such assets are maintained on the basis of original cost (cash paid plus trade-in allowance, if applicable). The assets are depreciated on the straight-line basis over the following estimated useful lives:

Equipment	10 – 30 years
Automobile	10 years
Remodeling	10 – 40 years
Maps	20 – 40 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The St. Landry Parish Assessor maintains a threshold level of \$500 or more for capitalizing capital assets.

The St. Landry Parish Assessor does not have public domain or infrastructure outlays.

No interest costs were incurred during construction.

H. Compensated Absences

Employees of the Assessor's office earn 5 days of annual leave during the first year of employment, 10 days of annual leave from one to ten years of employment, and 15 days of annual leave after ten years of employment. Annual leave must be taken in the year earned and cannot be carried forward from year to year. Payment is not made for unused annual leave upon retirement or termination of employment. Employees of the Assessor's office earn 1 day of sick leave for each month worked. Unused sick leave time may not be added to vacation or retirement nor will any unused sick leave be paid upon termination.

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Equity Classifications

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

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. 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 legislation.
3. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Propriety fund equity is classified the same as in the government-wide statements.

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

1. Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions for enabling legislation.
2. Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Assessor – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Assessor removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Assigned fund balance - This classification reflects the amounts constrained by the Assessor’s “intent” to be used for specific purposes, but are neither restricted nor committed. The assessor has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.
4. Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Assessor’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

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

NOTE 2 CASH AND INVESTMENTS

At December 31, 2017, the carrying amounts of the Assessor’s checking accounts were \$574,472, and the bank balances were \$604,296. The carrying amounts and the bank balances of investments were the same amount, which was \$1,127,855. Of the bank balance, \$1,341,513 was covered by federal depository insurance. Deposits in the amount of \$390,638 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions’ trust department or agent, but not in the Assessor’s name. The Assessor does not have a policy for custodial credit risk.

NOTE 3 AD VALOREM TAXES

Property taxes receivable at December 31, 2017 were as follows:

	Taxes Per Tax Roll	Receipts in December	Estimated Uncollectible	Net Taxes Receivable
2017 Tax Roll	\$ 1,323,536	\$ 33,006	\$ 24,983	\$ 1,265,547

An estimated allowance for uncollectible ad valorem tax is based on prior years’ experience.

The Assessor’s millage assessed for 2017 is 2.03 mills. The Assessor’s ad valorem tax is collected by an intermediary government and remitted on a monthly basis. The intermediary government maintains the tax roll for ad valorem taxes for the Assessor. The ad valorem tax, levied for the calendar year, is due to the intermediary government on or before December 31 and becomes delinquent on January 1. The taxes are generally collected in December of the current year and January and February of the ensuing year.

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Notes to Financial Statements

NOTE 3 AD VALOREM TAXES (continued)

Governmental funds report deferred revenue in connection with receivables for revenues over 60 days that are not considered to be available to liquidate liabilities of the current period.

NOTE 4 CAPITAL ASSETS

Capital assets and depreciation activity, as of and for the year ended December 31, 2017, for the St. Landry Parish Assessor are as follows:

	Balance 1/1/2017	Additions	Disposals	Balance 12/31/2017
Governmental activities				
Automobiles	\$ 74,039	\$ -	\$ -	\$ 74,039
Equipment	355,855	-	-	355,855
Remodeling	515,512	-	-	515,512
Maps	<u>62,709</u>	<u>-</u>	<u>-</u>	<u>62,709</u>
Totals at historical cost	<u>1,008,115</u>	<u>-</u>	<u>-</u>	<u>1,008,115</u>
Less accumulated depreciation				
Automobiles	47,467	12,085	-	59,552
Equipment	320,465	13,155	-	333,620
Maps	316,101	29,310	-	345,411
Remodeling	<u>39,401</u>	<u>2,049</u>	<u>-</u>	<u>41,450</u>
Total accumulated depreciation	<u>723,434</u>	<u>56,599</u>	<u>-</u>	<u>780,033</u>
Governmental activities				
Capital assets, net	<u>\$ 284,681</u>	<u>\$(56,599)</u>	<u>\$ -</u>	<u>\$ 228,082</u>
Depreciation expense General Government		<u>\$ 56,599</u>		

NOTE 5 LOUISIANA PUBLIC EMPLOYEES' DEFERRED COMPENSATION PLAN

The Louisiana Deferred Compensation Plan (LDCP) was established for the purpose of providing supplemental retirement income to employees and independent contractors of a Louisiana public employer by allowing them to defer part of their compensation. The Louisiana Deferred Compensation Commission adopted the LDCP in 1982. The Commission has authority to adopt and interpret rules, implement the Plan, and distribute through contracts or agents. This Plan was adopted in 2001 by the St. Landry Parish Assessor's office. All employees of the Assessor's office can elect to participate, including the Assessor. The LDCP issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the Louisiana Deferred Compensation Plan, 2237 South Acadian Thruway, Baton Rouge, Louisiana 70808-2371 or by calling 1-800-345-4699.

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Notes to Financial Statements

NOTE 5 LOUISIANA PUBLIC EMPLOYEES' DEFERRED COMPENSATION PLAN (Continued)

Contributions to the LDCP can be no less than \$20 each month with the exception of participants active in the Plan on October 1, 1984, that allowed a smaller deferral or a participant who elects to defer 7.5% or more of compensation in lieu of Social Security coverage. There are six payment options from which a participant must choose. This selection must be chosen at least 30 days prior to the date the payment will be implemented.

The St. Landry Parish Assessor's employer contributions for the years ended December 31, 2017, was \$39,802.

Employee contributions for the year ended December 31, 2017 was \$41,758.

NOTE 6 PENSION PLAN

Louisiana Assessors' Retirement Fund (System)

**Plan Description**

Plan Benefits are as follows:

A. Pension Benefits

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

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

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to the employer's contributions. Benefits are payable over the employee's 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.

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Notes to Financial Statements

NOTE 6 PENSION PLAN (Continued)

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.

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

C. Disability Benefits

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

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

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Notes to Financial Statements

NOTE 6 PENSION PLAN (Continued)

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

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

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

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

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

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

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

1. Creditable service shall not include service reciprocally recognized pursuant to R.S. 11:142.
2. Accrued service at retirement shall be reduced by the Back-DROP.
3. Final average compensation shall be calculated by excluding all earning during the Back-DROP period.

ST. LANDRY PARISH ASSESSOR  
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Notes to Financial Statements

NOTE 6 PENSION PLAN (Continued)

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

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

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

E. Excess Benefit Plan

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

ST. LANDRY PARISH ASSESSOR  
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Notes to Financial Statements

NOTE 6 PENSION PLAN (Continued)

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

At December 31, 2017, the employer reported a liability of \$208,557 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of September 30, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Assessor's proportion of the Net Pension Liability was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2017, the Assessor's proportion was 1.188556%, which was a decrease of 0.02198% from its proportion measurement as of September 30, 2016.

For the year ended December 31, 2017, the Assessor recognized pension expense of \$159,926, plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions and deferred outflows and inflows of resources, \$5,350.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 23,245	\$ 65,480
Changes of assumptions	130,440	-
Net difference between projected and actual earnings on pension plan investments	-	80,705
Changes in proportion and differences between employer contributions and proportionate share of contributions and deferred outflows and inflows of resources	(76,526)	5,439
Employer contributions subsequent to the measurement date	10,444	-
Total	<u>\$ 87,603</u>	<u>\$ 151,624</u>

ST. LANDRY PARISH ASSESSOR  
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Notes to Financial Statements

NOTE 6 PENSION PLAN (Continued)

Deferred outflows of resources related to the pensions resulting from the Assessor's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2018	\$ 30,534
2019	41,155
2020	(29,308)
2021	(18,461)
2022	<u>14,674</u>
Total	<u>\$ 38,594</u>

**Contributions**

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

Administrative costs of the Fund are financed through employer contributions. According to state statute, contributions for all employers are actuarially determined each year. Employer contributions were 10% of member's earnings for the year ended September 30, 2017.

The Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state, except for Orleans Parish which is one percent, as well as a state revenue sharing appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee. Although the direct employer actuarially required contribution for the fiscal year ended September 30, 2017 was 4.69%, the actual employer contribution rate for the fiscal year ended September 30, 2017 was 10%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set one year prior to the year effective. The minimum direct employer actuarially required contribution will be 5.25% for the fiscal year 2018.

The St. Landry Parish Assessor's employer's contributions for the years ended December 31, 2017, 2016 and 2015 were \$49,815, \$64,684, and \$66,778, respectively. Employee contributions for the years ended December 31, 2017, 2016, and 2015 were \$41,941, \$40,988, and \$39,572 respectively. Effective July 2, 1999, Act 818 of the 1999 regular session of the legislature authorized the Assessor, at his discretion, to pay all or a portion of the employees' contribution, provided that the Assessor notify the Assessor's retirement Fund fifteen days prior to the beginning of a calendar year. For the year 2017, the assessor elected to pay 100% of the employees' contributions. Included in employee contributions is an amount paid on behalf of the employees by the St. Landry Parish Assessor. The Assessor's total, retirement expenditure for 2017 was \$91,756.

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Notes to Financial Statements

NOTE 6 PENSION PLAN (Continued)

**Schedule of Employer Allocations**

The schedule of employer allocations reports the required projected employer contributions in addition to the employer allocation percentage. The required employer contributions are used to determine the proportionate relationship of each employer to all employers of Louisiana Assessor's Retirement Fund and Subsidiary. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's contribution effort to the plan for the next fiscal year as compared to the total of all employers' effort to the plan for the next fiscal year. The employers' contribution effort was based on actual employer contributions made to the Retirement Fund for the fiscal year ended September 30, 2017.

**Schedule of Pension Amounts by Employer**

The schedule of pension amounts by employer displays each employer's allocations of the net pension liability. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocations.

**Actuarial Methods and Assumptions**

Net Pension Liability

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the Fund's participating employers, determined in accordance with GASB No. 67 as of September 30, 2017, are as follows:

Total Pension Liability	\$4,751,187
Plan Fiduciary Net Position	<u>(4,542,630)</u>
Total	<u>\$ 208,557</u>

ST. LANDRY PARISH ASSESSOR  
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Notes to Financial Statements

NOTE 6 PENSION PLAN (Continued)

Actuarial Methods and Assumptions

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

Additional information on the actuarial methods and assumptions used as of September 30, 2017 actuarial valuation follows:

<u>Actuarial Cost Method</u>	<u>Entry Age Normal</u>
Investment Rate of Return (discount rate)	6.75%, net of pension plan investment expense, including inflation
Inflation Rate	2.50%
Salary Increases	5.75%
Annuitant and beneficiary mortality	RP 2000 Healthy Annuitant Table set forward one year and projected to 2030 for males and females
Active members mortality	RP 200 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 selected for this report by the Fund was 6.75%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions and 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 6.75%.

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Notes to Financial Statements

NOTE 6 PENSION PLAN (Continued)

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 2017 is 6 years.

**Sensitivity to Changes in Discount Rate**

The following presents the net pension liability of the fund calculated using the discount rate of 6.75%, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate (assuming all other assumptions remain unchanged):

Changes in Discount Rate:			
	1% Decrease	Current	1% Increase
	5.75%	Discount Rate 6.75%	7.75%
Net Pension Liability	\$ 707,224	\$ 208,557	\$ (218,932)

**Change in Net Pension Liability**

The changes in the net pension liability for the year ended September 30, 2017 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	September 30, 2017	
	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	Deferred Outflows	Deferred Inflows
2017	\$ -	\$ 42,796	\$ (7,133)	\$ -	\$ 35,664
2016	29,058	-	5,812	23,245	-
2015	-	11,671	(2,918)	-	8,754
2014	-	31,593	(10,531)	-	21,062
	\$ 29,058	\$ 86,060	\$ (14,770)	\$ 23,245	\$ 65,480

ST. LANDRY PARISH ASSESSOR  
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Notes to Financial Statements

NOTE 6 PENSION PLAN (Continued)

Differences between Projected and Actual Investment Earnings

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	<u>September 30, 2017</u>		Net Deferred Inflow Balance
				Deferred Outflows	Deferred Inflows	
2017	\$ -	\$ 205,427	\$ (41,086)	\$ -	\$ 164,342	\$ (164,342)
2016	-	53,494	(13,374)	-	40,121	(40,121)
2015	201,571	-	67,190	134,380	-	134,380
2014	-	21,245	(10,622)	-	10,622	(10,622)
	<u>\$ 201,571</u>	<u>\$ 280,166</u>	<u>\$ 2,108</u>	<u>\$ 134,380</u>	<u>\$ 215,085</u>	<u>\$ (80,705)</u>

Changes of Assumptions or Other Inputs

Changes of assumptions about future economic or demographic factors or of other inputs were recognized in the pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	<u>September 30, 2017</u>	
				Deferred Outflows	Deferred Inflows
2017	\$ 113,071	\$ -	\$ 18,845	\$ 94,226	-
2016	-	-	-	-	-
2015	4,937	-	1,234	3,703	-
2014	48,767	-	16,256	32,511	-
	<u>\$ 166,775</u>	<u>\$ -</u>	<u>\$ 36,335</u>	<u>\$ 130,440</u>	<u>\$ -</u>

Changes in Proportion

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

**Contributions-Proportionate Share**

Differences between contributions remitted to the Fund and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a

closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of pension amounts by employer due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

#### **Retirement Fund Audit Report**

The Louisiana Assessors' Retirement Fund and Subsidiary has issued a stand-alone audit report on their financial statements for the year ended September 30, 2017. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.la.gov](http://www.la.la.gov), or by contacting the Louisiana Assessor's Retirement Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

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Notes to Financial Statements

NOTE 7 DETAILS OF EXPENDITURES OF THE GENERAL FUND

A presentation of General Fund expenditures along with a comparison to budget for the year 2017 is as follows:

	Budget		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
Office and administrative				
Accounting and legal	\$ 40,800	\$ 36,350	\$ 33,078	\$ 3,272
Advertising	580	88	115	(27)
Auto fuel	2,070	2,460	2,042	418
Auto lease	13,600	5,104	4,676	428
Bank charges	600	600	301	299
Computer maintenance	34,950	40,000	34,887	5,113
Dues and subscriptions	7,900	9,926	10,157	(231)
Equipment lease	7,000	7,800	7,480	320
Field expense	3,500	3,720	3,707	13
Insurance benefits	146,600	149,858	174,204	(24,346)
Other insurance	12,350	12,350	14,488	(2,138)
Office supplies	66,700	44,600	39,259	5,341
Parking	775	525	525	-
Postage	4,000	196	1,894	(1,698)
Professional services	69,735	142,040	78,897	63,143
Equipment repairs and maintenance	7,000	2,289	1,319	970
Retirement benefits	109,000	93,867	91,756	2,111
Deferred compensation	45,700	40,255	39,803	452
Salaries	712,000	725,374	724,502	872
Expense allowance	14,300	16,092	15,497	595
Payroll taxes	18,375	18,843	17,416	1,427
Telephone	17,165	5,841	6,203	(362)
Seminars and conferences	5,700	13,265	7,575	5,690
Travel and education	15,000	14,730	12,568	2,162
Uniforms	-	-	169	(169)
Miscellaneous	200	201	327	(126)
<u>Total</u>	<u>1,355,600</u>	<u>1,386,374</u>	<u>1,322,845</u>	<u>63,529</u>
<u>Total expenditures</u>	<u>\$ 1,355,600</u>	<u>\$ 1,386,374</u>	<u>\$ 1,322,845</u>	<u>\$ 63,529</u>

ST. LANDRY PARISH ASSESSOR  
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Notes to Financial Statements

NOTE 8 OPERATING LEASES

On December 30, 2015, the Assessor entered in to an operating lease for a 2016 Buick Lacrosse. The operating lease is for 35 monthly payments of \$389.63. At the end of the lease, the Assessor has the option of purchasing the vehicle at market value. The amount due at lease signing was \$9,000. Rental expense related to this lease for 2017 was \$4,676.

On August 21, 2015, the Assessor entered into an operating lease for a copying lease for the appraisal department. . The operating lease is for 60 monthly payments of \$137.50. . At the end of the lease, the Assessor has the option of purchasing the vehicle at market value. Rental expense related to this lease for 2017 was \$1,650.

On December 31, 2013, the Assessor entered into an operating lease for a fax machine. The operating lease is for 60 monthly payments of \$263.55. At the end of the lease, the Assessor has the option of purchasing the unit at market value. Rental expense related to this lease for 2017 was \$ 3,163.

Future minimum lease payments for the above leases are as follows:

2018	\$ 9,489
2019	2,177
2020	<u>1,100</u>
Total	<u>\$ 12,766</u>

NOTE 9 LONG-TERM DEBT – OTHER POST- EMPLOYMENT BENEFITS (OPEB)

During the year 2009, the St. Landry Parish Assessor implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post – Employment Benefits Other Than Pensions*.

Plan Description

In accordance with State Statutes, the Assessor provides certain continuing health care and life insurance benefits for its retired employees. Any St. Landry Parish Assessor’s Office employee is eligible to elect medical coverage upon retiring. Eligibility for medical coverage is based on the following:

55 years old and 12 years of service, or  
30 years of service at any age.

These benefits for retirees and similar benefits for active employees are provided through the Louisiana Assessor’s Insurance Fund, whose monthly premiums are paid entirely by the Assessor. The employees’ contribution rate is 8% and the employer’s is 13.5%. The insurance plan is a fully insured, multiple-employer arrangement and has been deemed to be an agent multiple-employer plan for financial reporting purposes and for this valuation.

A valuation report on the St. Landry Parish Assessor’s Office may be obtained by writing to Milliman at 10000 North Central Expressway, Suite 1500, Dallas, TX 75231.

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Notes to Financial Statements

NOTE 9 LONG-TERM DEBT – OTHER POST- EMPLOYMENT BENEFITS (OPEB) (continued)

Funding Policy

The Plan is currently financed on a pay-as-you-go basis, with the St. Landry Parish Assessor contributing \$159,301 for active employees and \$14,903 for retirees for the year 2017. No assets have been segregated and restricted to provide post-employment benefits.

The St. Landry Parish Assessor contributes 100% of the active and retired employee’s coverage. The Assessor also contributes 100% of the life insurance premiums for the active and retired employees.

Annual OPEB Cost and Net OPEB Obligation

Annual OPEB Cost and OPEB cost (expense) was calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortized any unfunded actuarial liabilities over the actuarial amortization period. The ARC was calculated as part of the January 1, 2017, actuarial valuation performed by an outside actuary consultant.

The following table shows the components of the Assessor’s ARC for the year beginning January 1, 2017:

Normal Cost	\$ 92,329
Amortization of Unfunded actuarial	<u>109,925</u>
Annual required contribution (ARC)	<u>\$ 202,254</u>

The following table shows the components of the Assessor’s annual OPEB cost for the year and the amount actually contributed:

Annual required contribution (ARC)	\$ 202,254
Interest on prior year net OPEB obligation	32,605
Adjustment to ARC	<u>(53,461)</u>
Annual OPEB cost (expense)	181,398
Less: contributions made	<u>(33,348)</u>
Increase in net OPEB obligation	148,050
Net OPEB obligation - beginning of year	<u>815,117</u>
Net OPEB obligation - end of year	<u>\$ 963,167</u>

Utilizing the pay-as-you-go method, the Assessor contributed 18.4% of the annual post-employment benefits cost during the year ended December 31, 2017.

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Notes to Financial Statements

NOTE 9 LONG-TERM DEBT – OTHER POST- EMPLOYMENT BENEFITS (OPEB) (Continued)

Funding Status and Funding Progress

As of January 1, 2017, the most recent actuarial valuation date, the plan was zero funded. The actuarial accrued liability for benefits was \$1,676,019, with no valued assets, resulting in an unfunded actuarial accrued liability (UAAL) of the same amount. Actuarial valuations of an ongoing plan involve estimates of the value of reported and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the Assessor are subject to continual revision and actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Below is the schedule for the year ended December 31, 2017:

Actuarial Valuation Date	Actuarial Value of Assets	Discount Rate	Actuarial Accrued Liabilities (AAL)(1)	Unfunded Actuarial Accrued Liabilities (UAAL)(2)	Fund Ratio
January 1, 2015	-	4.00%	\$ 1,676,019	\$ 1,676,019	0.00%
January 1, 2016	-	4.00%	\$ 1,676,019	\$ 1,676,019	0.00%
January 1, 2017	-	4.00%	\$ 1,676,019	\$ 1,676,019	0.00%

- 1) Actuarial Accrued Liability determined under the projected unit credit cost method.
- 2) Actuarial Accrued Liability less Actuarial Value of assets.

Actuarial Methods and Assumptions

The actuarial cost method determines, in a systematic way, the incidence of plan sponsor contributions required to provide plan benefits. It also determines how actuarial gains and losses are recognized in OPEB costs. These gains and losses result from the difference between the actual experience under the plan and what was anticipated by the actuarial assumptions.

The cost of the Plan is derived by making certain assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the long term assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

GASB 45 allows a variety of cost methods to be used. The unit credit actuarial cost method was elected because it is generally easy to understand and is widely used for valuation of post-employment benefits other than pensions. Other methods used do not change the ultimate liability, but do allocate it differently between what has been earned in the past and what will be earned in the future. If a different method was used, either the normal cost would decrease and the unfunded amortization would increase, or the normal cost would increase and the amortization decrease.

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Notes to Financial Statements

NOTE 9 LONG-TERM DEBT – OTHER POST- EMPLOYMENT BENEFITS (OPEB) (Continued)

In addition to the actuarial method used actuarial cost estimates depend to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment, and retirement rates. In the current valuation, the actuarial assumptions used for the calculation of costs and liabilities are as follows:

Measurement Date

Benefit liabilities are valued as of January 1, 2017.

Discount Rate for Valuing Liabilities

Without prefunding: 4.00% per annum, compounded annually

Mortality Rates

Pre-retirement: Sex distinct RP 2000 Combined Healthy Mortality Table projected to 2017 using Scale AA.

Post-retirement: Sex distinct RP 2000 Combined Healthy Mortality Table projected to 2017 using Scale AA.

NOTE 10 SUBSEQUENT EVENTS

The Assessor has evaluated subsequent events through June 20, 2018, the date which the report was available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Budgetary Comparison Schedule  
General Fund  
Year Ended December 31, 2017

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Ad valorem taxes	\$ 1,300,000	\$ 1,263,786	\$ 1,337,055	\$ 73,269
Intergovernmental				
State revenue sharing	57,000	51,206	53,222	2,016
Charges for services				
Racino revenue	43,000	33,960	29,744	(4,216)
Tax roll fees	16,000	17,886	25,918	8,032
Informational services	5,000	3,000	-	(3,000)
Miscellaneous				
Income in lieu of taxes	7,550	9,076	9,076	-
Interest income	1,500	1,500	4,635	3,135
Other	5,000	4,384	6,760	2,376
Total revenues	<u>1,435,050</u>	<u>1,384,798</u>	<u>1,466,410</u>	<u>81,612</u>
<b>EXPENDITURES</b>				
Current				
Office and administrative	1,355,600	1,386,374	1,322,845	63,529
Total expenditures	<u>1,355,600</u>	<u>1,386,374</u>	<u>1,322,845</u>	<u>63,529</u>
Net Change in Fund Balance	<u>\$ 79,450</u>	<u>\$ (1,576)</u>	<u>\$ 143,565</u>	<u>\$ 145,141</u>
FUND BALANCE, beginning of year			<u>\$ 2,766,544</u>	
FUND BALANCE, end of year			<u>\$ 2,910,109</u>	

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Schedule of Employer's Share of Net Pension Liability  
Year Ended December 31, 2017

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>
Employer's Proportion of the Net Pension Liability (Asset)	1.100917%	1.166575%	1.188556%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 602,976	\$ 411,649	\$ 208,557
Employer's Covered-Employee Payroll	\$ 495,002	\$ 507,894	\$ 521,796
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	121.81%	81.05%	39.97%
Plan Fiduciary Net Position as a Percentage of the the Total Pension Liability	85.57%	90.68%	95.61%

\* The amounts presented have a measurement date as of September 30, 2015, 2016 and 2017.

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Schedule of Employer Contribution  
Year Ended December 31, 2017

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 66,825	\$ 66,825	\$ -	\$ 495,002	13.5%
2016	\$ 68,566	\$ 68,566	\$ -	\$ 507,894	13.5%
2017	\$ 52,180	\$ 52,180	\$ -	\$ 521,796	10.0%

**OTHER SUPPLEMENTAL INFORMATION**

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Schedule of Compensation, Benefits and Other  
Payments to Agency Head or Chief Executive Officer  
Year Ended December 31, 2017

Agency Head Name: Rhyn Duplechain, Assessor

<u>Purpose</u>	<u>Amount</u>
Salary (R.S. 47:1907)	\$ 144,314
Benefits-insurance (R.S. 47:1923)	19,608
Benefits-retirement (R.S. 11:1481)	15,875
Benefits-deferred compensation (R.S. 42:1301-1309)	12,000
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	406
Registration fees-conference	450
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses-dues	-
Meals	-
Expense allowance	<u>14,431</u>
Total	<u>\$ 207,084</u>

**INTERNAL CONTROL AND COMPLIANCE**

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 Eugene H. Darnall, III, CPA  
 Stephanie M. Higginbotham, CPA  
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 Benjamin J. Baudoin, CPA

\* (Emeritus)



**Darnall, Sikes  
& Frederick.**

(A Corporation of Certified Public Accountants)

**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 Rhyn Duplechain  
 St. Landry Parish Assessor  
 Opelousas, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the St. Landry Parish Assessor (Assessor) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements, and have issued our report thereon dated June 20, 2018.

**Internal Control Over Financial Reporting**

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

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 over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether St. Landry Parish Assessor's financial statements are free of material misstatements, 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 one instance of noncompliance or other matters that are required to be reported under Government Auditing Standards which is described in the schedule of findings and questioned costs as 2017-001.

### **Purpose of this Report**

This 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 over compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Dannall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Eunice, Louisiana  
June 20, 2018

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2017

PART I SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the St. Landry Parish Assessor's financial statements as of and for the year ended December 31, 2017.

Material Weaknesses and Significant Deficiencies – Financial Reporting

No material weaknesses or significant deficiencies were noted during the audit of the financial statements.

Material Noncompliance – Financial Reporting

No instances of noncompliance material to the financial statements were noted during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the year ending December 31, 2017.

PART II FINDINGS RELATING TO THE AUDIT IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

**2017-001 Late Submission of the Audited Financial Statements**

Criteria: Louisiana Revised Statute 24:513 provides that an annual audit must be remitted to the Louisiana Legislative Auditor within six months of the close of the fiscal year.

Condition: This deadline was not met for the current year.

Cause: Every two years there is a change of auditors. This year the auditor in May informed the prior auditor that they could not perform the audit because of recent staffing shortage. The audit was filed late due to time constraints due to this auditor change.

Effect: The Assessor is non-compliant with the state audit law with respect to timeliness of submission.

Recommendation: Communication with the auditor will be closely monitored to identify audit problems.

Management's Response: The Assessor agrees with this recommendation.

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2017

PART III FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL PROGRAMS

At December 31, 2017, the St. Landry Parish Assessor did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore, this section is not applicable.

ST. LANDRY PARISH ASSESSOR  
Opelousas, Louisiana

Schedule of Prior Year Findings  
Year Ended December 31, 2017

Section I - Internal Control and Compliance Material to the Financial Statements

No findings.

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

No management letter was issued.

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**Darnall, Sikes  
& Frederick**

(A Corporation of Certified Public Accountants)

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Rhyn Duplechin  
 St. Landry Parish Assessor  
 P.O. Drawer C  
 Opelousas, LA 70571

We have performed the procedures enumerated below, which were agreed to by St. Landry 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 year ended December 31, 2017. 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***

1. Obtain the Entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the Entity does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget:

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

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- 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 Entity does not have any written policies and procedures that address the functions noted above.

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

The Entity does not have any written policies and procedures that address the functions noted above.

- d) **Receipts**, including receiving, recording, and preparing deposits:

The Entity does not have any written policies and procedures that address the functions noted above.

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

The Entity does not have any written policies and procedures that address the functions noted above.

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

The Entity does not have any written policies and procedures that address the functions noted above.

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

The Entity does not have any written policies and procedures that address the functions noted above.

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

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

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

The Entity does not have any written policies and procedures that address the functions noted above.

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

The Entity does not have any written policies and procedures that address the functions noted above.

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

---

2. This section is not applicable.

### ***Bank Reconciliations***

---

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

Obtained a listing of client bank accounts from management and management provided representation that the listing is complete.

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

We selected two of two bank accounts maintained by the Entity.

- a) Bank reconciliations have been prepared:

Bank reconciliations have been prepared for all months during the fiscal period for the bank accounts selected.

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

Bank reconciliations do include evidence of management's review of the bank reconciliations for all bank reconciliations selected for testing.

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

One of two bank accounts selected had reconciling items outstanding for more than 6 months, which did have evidence of management researching those items.

### ***Collections***

---

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

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

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

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

The Entity does have a surety bond insurance policy covering each person responsible for collecting cash, function (1) above. The Entity does not have written policies and procedures that address functions (2) and (3) above.

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

The Entity does not have any written policies and procedures that address the functions noted above.

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

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

Cash collection documentation was obtained for the selected week and we noted that collections were deposited within one day.

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

Daily cash collections for the week selected are completely supported by documentation.

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

The Entity does not have any written policies and procedures that address the functions noted above.

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

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

Obtained listing of disbursements and management provided representation that the listing is complete.

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

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

Examined supporting documentation for each of the disbursements selected and noted that purchases were not initiated using a purchase order system. Response: The entity does not use a Purchase Order System.

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

Examined supporting documentation for each of the disbursements selected and noted appropriate approval of purchase by a person who did not initiate the transaction for 24 of the 25 transactions selected for testing. Response: Due to the size and nature of the entity, the Assessor approves all purchases although small items may not be in writing.

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

Examined supporting documentation for each of the disbursements selected and noted appropriate requisition, receiving report, and approved invoice.

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

The Entity's policies and procedures provided do not address the function of adding vendors to the Entity's purchasing/disbursements system. Response: The vendors are added by an outside CPA firm with does the accounting for the Assessor.

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

The Entity does not have any written policies and procedures that address the functions noted above.

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

Supply of unused checks are maintained in a locked location, with restricted access from those persons with signatory authority.

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

Signature stamps or signature machines are not utilized by the Entity.

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

---

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

Obtained listing of all active credit cards and management provided representation that the listing is complete.

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

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

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

Examined supporting documentation for the monthly statements selected noting the statement did have written evidence of being reviewed and approved by someone other than the authorized card holder.

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

The Entity did incur finance charges and/or late fees on the selected statements. Response: Procedures will be implemented to ensure all statements are paid currently.

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

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

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

Transactions selected for testing were not supported by an original itemized receipt.

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

Transactions selected for testing were not supported by documentation of the business/public purpose.

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

Transactions selected for testing were not supported by appropriate documentation.

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

No exceptions noted.

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

No exceptions noted.

### ***Travel and Expense Reimbursement***

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

Obtained listing of travel and expense reimbursements, by person, and management provided representation that the listing is complete.

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

Written policies and procedures were obtained and the amounts listed in the Entity's policies regarding travel and expense reimbursements did not exceed GSA rates.

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

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

Expenses selected were reimbursed in accordance with written policies.

- b) Report whether each expense is supported by:

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

Expenses selected were reimbursed in accordance with appropriate supporting documentation or established per diem amount.

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

Documentation of business purpose was not noted for two of the three expense reimbursements selected.

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

Documentation required by written policy noted for each expense reimbursement selected.

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

No exceptions noted.

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

Each expense reimbursement selected was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

## Contracts

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

Obtained listing of all contracts in effect and management provided representation that the listing is complete.

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

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

A formal/written contract supporting the service arrangements was noted for the vendors selected.

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

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

The five contracts selected for testing were not subject to the Procurement code.

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

The Entity provided contract documentation, but did not solicit quotes as a best practice for the five contracts selected. Response: Bids are obtained in instances required by state law.

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

Contracts selected were not amended.

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

The invoices and related payments selected complied with the terms and conditions of the contract.

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

Obtained documentation of approval for selected contracts as required by policy.

## *Payroll and Personnel*

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

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

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

Each employee selected was paid in accordance with the terms and conditions of the employment contract or pay rate structure.

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

Changes to pay rates during the fiscal period for selected employee were approved in writing.

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

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

Documentation of daily attendance and leave was noted for each employee selected.

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

Documentation of supervisor approval for attendance and leave was noted for each employee selected.

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

Documentation of written leave records were maintained for employees selected.

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

Obtained listing of employees terminated during the fiscal period and management provided representation that the listing is complete.

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

Obtained supporting documentation relating to payroll taxes and retirement contributions during the fiscal period noting that related payments and required reporting forms were submitted to the applicable agencies by the required deadlines.

***Ethics (excluding nonprofits)***

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

The five employees selected for testing did have documentation to demonstrate that the required ethics training was completed.

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

No alleged ethics violations were reported to the Entity during the fiscal year.

***Debt Service (excluding nonprofits)***

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

The Entity did not issue any debt during the current fiscal year.

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

The Entity did not have outstanding debt during the fiscal period.

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

The Entity did not have any tax millages relating to debt during the current fiscal year.

***Other***

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

Management has asserted that the Entity did not have any misappropriations of public funds or assets during the reporting period.

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

Required notices are posted on the Entity’s premises and website.

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

No exceptions noted.

### ***Management's Response***

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Management of the St. Landry Parish Assessor concurs with the exceptions and are working to address the deficiencies identified.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those 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.

This 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.

## **Darnall, Sikes, & Frederick**

A Corporation of Certified Public Accountants

Eunice, Louisiana

June 18, 2018