

Livingston Parish Assessor
Livingston, Louisiana

Annual Financial Statements

As of and for the Year Then Ended December 31, 2019
With Supplementary Information Schedules



BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Livingston Parish Assessor
Annual Financial Statements
As of and for the Year Ended December 31, 2019
With Supplementary Information Schedules

TABLE OF CONTENTS

	Statement/ Schedule	Page
Independent Auditor’s Report		4
Required Supplementary Information (Part I):		
Management’s Discussion and Analysis.....		8
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	A	15
Statement of Activities	B	16
Fund Financial Statements:		
Balance Sheet, Governmental Fund	C	18
Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Financial Statement of Net Position	D	19
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	E	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	F	21
Notes to the Financial Statements		23
Required Supplementary Information (Part II):		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual General Fund.....	1	45
Schedule of Changes in Net OPEB Liability and Related Ratios	2	46
Schedule of the Assessor’s Proportionate Share of the Net Pension Liability.....	3	47
Schedule of the Livingston Parish Assessor’s Contributions.....	4	48
Other Supplementary Information:		
Schedule of Compensation, Benefits, and Other Payments to Agency Head.....	5	50

Livingston Parish Assessor
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As of and for the Year Ended December 31, 2019
With Supplementary Information Schedules

TABLE OF CONTENTS CONTINUED

	Statement/ Schedule	Page
Summary Schedule of Findings and Responses	6	51
Summary Schedule of Prior Year Findings and Responses	7	53
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 <i>Government Auditing Standards</i>		54

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish Assessor, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

BRUCE HARRELL & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish Assessor, as of December 31, 2019, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison information, and the schedule of changes in net OPEB liability and related ratios on pages 8-13, 45, and 46, respectively, as well as the information presented in the Schedule of the Assessor’s Proportionate Share of the Net Pension Liability on page 47 and the Schedule of the Livingston Parish Assessor’s Contributions on page 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

BRUCE HARRELL & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

To the Honorable Jeffrey G. Taylor, CLA
Livingston Parish Assessor
Livingston, Louisiana
Page 3

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated October 27, 2020 on our consideration of the Livingston Parish Assessor’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Livingston Parish Assessor’s internal control over financial reporting and compliance.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

Kentwood, Louisiana
October 27, 2020

Required Supplementary Information (Part I)

Management's Discussion and Analysis

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2019**

Introduction

The Management's Discussion and Analysis (MD&A) for the Assessor, offers readers of the Assessor's financial statements this narrative overview and analysis of the financial activities of the Assessor for the fiscal year ended December 31, 2019. This MD&A is designed to provide an objective and easy to read analysis of the Assessor's financial activities based on currently known facts, decisions, or conditions.

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

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

Financial Highlights

- At December 31, 2019, the Assessor's government wide liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$(892,344) (net position). The Assessor reported a deficient balance of \$(1,035,156) in total unrestricted net position. The Assessor's net investment in capital assets of \$142,812 decreased by \$1,413,381.
- Ad valorem taxes, the main source of revenue for the assessor's office totaled \$4,105,580 on the fund basis for the current fiscal year, as compared to \$4,446,005 for the fiscal year ending December 31, 2018.
- Total expenses on the government-wide basis for the fiscal year ending December 31, 2019 were \$5,025,832 increasing by \$2,819,980 from \$2,205,852 for the prior fiscal year.
- At December 31, 2019, the general fund reported ending fund balance of \$4,622,205, a decrease of \$1,550,422 for the year. The entire amount of \$4,622,205 is unassigned fund balance.

Overview of the Annual Financial Report

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

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

Government-Wide Financial Statements

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

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2019**

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

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

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

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

The government-wide financial statements include only the Livingston Parish Assessor (a component unit of the Livingston Parish Council) and can be found on pages 15 and 16.

Fund Financial Statements

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

Governmental funds are used to account for all of the Assessor's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Assessor's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Assessor's programs. The fund financial statements begin on page 18 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Assessor's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations can be found on pages 19 and 21.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 23.

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2019**

Government-Wide Financial Analysis

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

**Condensed Statements of Net Position
2019 and 2018**

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Assets:		
Current and Other Assets	\$ 6,053,300	\$ 7,914,679
Capital Assets	142,812	1,556,193
Total Assets	<u>6,196,112</u>	<u>9,470,872</u>
Deferred Outflows of Resources		
Pension Related	1,098,084	965,670
Other Post-Employment Benefits Obligations	1,189,582	-
Total Deferred Outflows of Resources	<u>2,287,666</u>	<u>965,670</u>
Liabilities:		
Long-Term Obligations	8,365,459	6,211,701
Other Liabilities	122,377	1,260,149
Total Liabilities	<u>8,487,836</u>	<u>7,471,850</u>
Deferred Inflows of Resources		
Pension Related	631,679	742,633
Related to Other Post-Employment Benefits	256,607	300,849
Total Deferred Inflows of Resources	<u>888,286</u>	<u>1,043,482</u>
Net Position:		
Net Investment in Capital Assets	142,812	1,556,193
Unrestricted	(1,035,156)	365,017
Total Net Position	<u>\$ (892,344)</u>	<u>\$ 1,921,210</u>

The major component of change for "Current and Other Assets" is a \$1,861,379 decrease in cash and equivalents.

"Capital Assets" decreased by \$1,413,381, reflecting the depreciation expense recorded for the fiscal year ending December 31, 2019 of \$57,684. Capital asset increases included construction in progress related to the new Assessor's office building totaling \$1,883,629 for 2019. Other capital asset additions for 2019 totaled \$33,403 in computers, equipment and security system for new building. Decreases include completed construction in progress of \$2,985,371 for the new Assessor building. Other decreases include the undepreciated cost of leasehold improvements on the old Assessor office building owned by Livingston Parish Council totaling \$287,358. The Assessor also sold vehicles that had an original cost of \$51,620. These vehicles were fully depreciated. See Note 7 for further information.

"Liabilities" increased by \$1,015,986 mainly due to the increase in unfunded net other post-employment benefit obligations of \$1,863,025, increase in net pension liability of \$289,043 and increase in compensated absences payable of \$1,690. The Assessor had a decrease of \$1,101,742 in due to other governments. This amount reflects the total cost due to the Livingston Parish Council for the construction of the new office building as of the end of December 31, 2018. Accounts payable decreased by \$49,840.

"Total Net Position" (total assets less total liabilities) decreased by \$2,813,554 for the fiscal year ending December 31, 2019.

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2019**

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

**Condensed Statement of Activities
For the years ended December 31, 2019 and 2018**

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 12,667	\$ 19,429
Operating Grants and Contributions	500,711	461,859
General Revenues:		
Ad Valorem Taxes	4,766,327	4,487,051
Revenue Sharing	127,287	127,531
Interest Income	16,465	7,813
Other Intergovernmental Revenue	38,417	30,685
Other Revenue	13,741	88
Gain/(Loss) on Disposal of Assets	(277,966)	5,950
Total Revenues	<u>5,197,649</u>	<u>5,140,406</u>
Expenses:		
General Government	<u>5,025,832</u>	<u>2,205,852</u>
Total Expenses	<u>5,025,832</u>	<u>2,205,852</u>
Change in Net Position Before Transfers	171,817	2,934,554
Transfers (Out) In	(2,985,371)	-
Change in Net Position	<u>(2,813,554)</u>	<u>2,934,554</u>
Net Position, Beginning	<u>1,921,210</u>	<u>(1,013,344)</u>
Net Position, Ending	<u>\$ (892,344)</u>	<u>\$ 1,921,210</u>

The Assessor's governmental net position decreased by \$2,813,554 as compared to a prior fiscal year net position increase of \$2,934,554. The Assessor's total revenue increased overall by \$57,243 due to increase in ad valorem taxes of \$279,276, an increase operating grants and contributions of \$38,852, an increase in interest income of \$8,652, an increase in intergovernmental revenue of \$7,732, an increase of other revenue of \$13,653, offset by a loss on disposal of assets of \$283,916 and a decrease in charges for services of \$6,762. The operating grants are non-employer retirement contributions to the cost-sharing pension plan. Total expenses on the government-wide basis for the fiscal year ending December 31, 2019 increased by \$2,819,980 primarily due to an increase in other post-employment benefits of \$2,112,118 over the prior year due to change in accounting principle in the prior year, an increase in employee salaries of \$106,286, an increase in employee benefits paid by Assessor of \$459,242, and an increase of \$110,345 for computer professional fees.

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2019**

Fund Financial Analysis

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

Governmental Funds

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

At the end of the current year, the Assessor's one governmental fund, the general fund, reported ending fund balance of \$4,622,205, a decrease of \$1,550,422 from the prior year. The entire fund balance was unassigned and available for spending at the Assessor's discretion.

Governmental Fund Budgetary Highlights

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

Capital Assets

At December 31, 2019, the Assessor's net investment in capital assets for its governmental activities amounts to \$142,812.

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

**Capital Assets (Net of Depreciation)
2019 and 2018**

Capital Assets	Governmental Activities	
	2019	2018
Buildings and Improvements	\$ -	\$ 517,641
Equipment and Furniture	78,759	66,128
Vehicles	240,158	291,778
Computers	346,028	346,028
Construction in Progress	-	1,101,742
Subtotal Capital Assets	<u>664,945</u>	<u>2,323,317</u>
Less: Accumulated Depreciation	<u>(522,133)</u>	<u>(767,124)</u>
Capital Assets, Net	<u>\$ 142,812</u>	<u>\$ 1,556,193</u>

Capital asset increases included \$33,403 for machinery and equipment and construction in progress of \$1,883,629 related to the new Assessor building. Capital asset decreases included the total cost of construction related to the new Assessor's office building which totaled \$2,985,371 and the undepreciated leasehold improvements on the old Assessor building of \$517,641. The Assessor also sold vehicles that had an original cost of \$51,620. These vehicles were fully depreciated. Additional information on the Livingston Parish Assessor's capital assets can be found in Note 7.

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2019**

Other Factors Affecting the Assessor

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

Contacting the Assessor's Financial Management

This financial report is designed to provide Livingston Parish citizens, taxpayers, customers, and creditors with a general overview of the Assessor's finances and show the Assessor's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Livingston Parish Assessor at Post Office Box 307; Livingston, Louisiana 70754, Phone (225) 686-7278.

Basic Financial Statements
Government-Wide Financial Statements

Statement A

**Livingston Parish Assessor
Statement of Net Position
As of December 31, 2019**

		<u>Governmental Activities</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	S	1,086,877
Investments		332,987
Receivables, Net:		4,408,465
Prepaid Insurance and Service Contracts		224,971
Total Current Assets		<u>6,053,300</u>
Capital Assets:		
Capital Assets, Net		142,812
Total Capital Assets		<u>142,812</u>
Total Assets		<u>6,196,112</u>
Deferred Outflows of Resources		
Pension Related		1,098,084
Other Post-Employment Benefits Obligation		1,189,582
Total Deferred Outflows of Resources		<u>2,287,666</u>
Liabilities		
Current Liabilities:		
Accounts Payable		49,864
Other Accrued Payables		72,513
Total Current Liabilities		<u>122,377</u>
Long Term Liabilities:		
Other Post-Employment Benefits Obligation		7,376,879
Net Pension Liability		953,812
Compensated Absences Payable		34,768
Total Long Term Liabilities		<u>8,365,459</u>
Total Liabilities		<u>8,487,836</u>
Deferred Inflows of Resources		
Pension Related		631,679
Related to Other Post-Employment Benefits		256,607
Total Deferred Inflows of Resources		<u>888,286</u>
Net Position		
Net Investment in Capital Assets		142,812
Unrestricted		(1,035,156)
Total Net Position	S	<u>(892,344)</u>

The accompanying notes are an integral part of this statement.

Livingston Parish Assessor
Statement of Activities
For the year ended December 31, 2019

Statement B

	Program Revenues			Net	Net (Expenses) Revenues and Changes in Net Position
Expenses	Charges for Services	Operating Grants & Contributions	(Expenses) Revenues	Governmental Activities	
Governmental Activities					
General Government	\$ 5,025,832	\$ 12,667	\$ 500,711	\$ (4,512,454)	\$ (4,512,454)
Total Governmental Activities	5,025,832	12,667	500,711	(4,512,454)	(4,512,454)
General Revenues:					
Ad Valorem Tax					4,766,327
Revenue Sharing					127,287
Interest Income					16,465
Other Intergovernmental Revenue					38,417
Other Revenue					13,741
Capital Transfer In (Out) to Livingston Parish Council					(2,985,371)
Gain/(Loss) on Disposal of Assets					(277,966)
Total General Revenues					1,698,900
Change in Net Position					(2,813,554)
Net Position - Beginning					1,921,210
Net Position - Ending					\$ (892,344)

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fund Financial Statements

**Livingston Parish Assessor
Governmental Fund Balance Sheet
As of December 31, 2019**

	General Fund
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 1,086,877
Investments	332,987
Receivables, Net:	
Ad Valorem Tax	4,325,448
Due From Other Governments	71,793
Other Receivables	11,224
Total Assets	\$ 5,828,329
Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities:	
Current Liabilities:	
Accounts Payable	\$ 49,864
Other Accrued Payables	72,513
Total Liabilities	122,377
Deferred Inflows of Resources:	
Ad Valorem Taxes	1,083,747
Total Deferred Inflows of Resources	1,083,747
Fund Balances:	
Unassigned	4,622,205
Total Fund Balances	4,622,205
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,828,329

The accompanying notes are an integral part of this statement.

**Livingston Parish Assessor
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
As of December 31, 2019**

Total Fund Balance, Governmental Funds (Statement C)	\$	4,622,205
Amounts reported for Governmental Activities in the Statement of Net Position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental Capital Assets, Net of Accumulated Depreciation		142,812
Prepaid Expenses not recorded in the fund basis financial statements.		224,971
Ad Valorem taxes collected after year-end, but not available soon enough to pay for current expenditures		1,083,747
Long-term liabilities are not due and payable in the current period and, therefore, not reported in the governmental funds.		
Accrued Sick Leave Payable		(34,768)
Unfunded Net Other Post-Employment Benefits Obligation		(7,376,879)
Net Pension Liability		(953,812)
Deferred Outflows of Resources		2,287,666
Deferred Inflows of Resources		(888,286)
Net Position of Governmental Activities (Statement A)	\$	<u>(892,344)</u>

The accompanying notes are an integral part of this statement.

Statement E

**Livingston Parish Assessor
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2019**

		<u>General Fund</u>
Revenues		
Ad Valorem Taxes	\$	4,105,580
Intergovernmental		
State Revenue Sharing		135,722
Fees Charged to Other Governments		29,982
Charges for Services		12,667
Interest		16,465
Other		13,741
Total Revenues		<u>4,314,157</u>
Expenditures		
Salaries		1,790,013
Benefits		1,109,484
Payroll Taxes		35,311
Insurance		62,183
Other operating		80,613
Professional Fees		655,590
Repairs and Maintenance		48,745
Supplies		98,928
Tax Collector Expense		2,489
Travel and Training		35,655
Utilities		37,928
Capital Outlays		1,917,032
Total Expenditures		<u>5,873,971</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		<u>(1,559,814)</u>
Other Financing Sources (Uses)		
Sale of Fixed Assets		9,392
Total Other Financing Sources (Uses)		<u>9,392</u>
Net Change in Fund Balances		<u>(1,550,422)</u>
Fund Balance, Beginning		<u>6,172,627</u>
Fund Balance, Ending	\$	<u><u>4,622,205</u></u>

The accompanying notes are an integral part of this statement.

Livingston Parish Assessor
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2019

Total Net Change in Fund Balances, Total Governmental Funds (Statement E) \$ (1,550,422)

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

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

Expenditures for capital assets	\$	1,917,032	
Less:			
Gain on Disposal of Assets		9,392	
Proceeds from the Sale of Capital Assets		(9,392)	
Loss on Abandoned Leasehold Improvements		(287,358)	
Transfer of Capital Assets to Livingston Parish Council		(2,985,371)	
Current year depreciation		<u>(57,684)</u>	(1,413,381)

Insurance and service contracts which cover future periods are reflected in expenditures on the governmental funds. However, the statement of net position accounts for these expenses as prepaid.	166,068
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Compensated Absences payable after one year are not recorded as an expenditure in the governmental funds, but they are recorded as an expenditure in the statement of activities. (This entry records the change in compensated absences.)	(1,690)
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Non-employer contributions to cost-sharing pension plan	500,711
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Pension Expense	(546,386)
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Increases in unfunded post-employment benefit obligations for medical insurance expected in future periods are not recorded for governmental funds on the fund basis.	(629,201)
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Deferred inflows of resources for ad valorem taxes collected after year end, but not available soon enough to pay for current expenditures changed by the following amount.	<u>660,747</u>
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Change in Net Position of Governmental Activities, Statement B \$ (2,813,554)

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Notes to the Financial Statements

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

Introduction

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

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

At December 31, 2019, there are 65,364 real property and movable property assessments totaling \$814,702,862. This represents an increase of 1,193 assessments totaling \$30,065,770 over the prior year, caused primarily by the increasing number of new businesses and residential growth in the parish during the year. Properties in Livingston Parish are reassessed every four years. The next reassessment is in 2020 and has been completed as of the date of this report.

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

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

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

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

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

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

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

During the year ended December 31, 2012, the Assessor also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Assessor had deferred outflows and deferred inflows of resources related to pension and other post-employment benefit obligations of \$2,287,666 and \$888,286, respectively, at December 31, 2019.

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

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

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

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

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

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

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

The Assessor reports the following major governmental funds:

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

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

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

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

C. Deposits and Investments

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

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

D. Receivables and Payables

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

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019**

E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. The Assessor did not have any inventory at December 31, 2019. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

F. Restricted Assets

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

G. Capital Assets

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

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

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

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

H. Compensated Absences

All full-time employees are eligible for 200 hours of Paid Time Off (“PTO”) each calendar year beginning January 1 of each year. During the first year of employment, eligible employees will be allowed a pro-rated number of PTO hours. Paid Time Off does not accrue as a wage and does not carry over from year to year, except that up to 40 hours of unused “PTO” may be carried over for one calendar year with prior approval from Assessor. The carried over “PTO” will not carry over or accrue beyond one calendar year.

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

A liability for accrued compensation time is reported on the government-wide level.

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

I. Net Position and Fund Balance

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

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

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

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

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019**

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

J. Comparative Data/Reclassifications

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

K. Extraordinary and Special Items

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

L. Estimates

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

M. Reconciliations of Government-Wide and Fund Financial Statements

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

2. Stewardship, Compliance and Accountability

Budget Information

The Assessor uses the following budget practices:

1. The Assessor prepares a General Fund budget, on the modified accrual basis of accounting, at the beginning of each year based upon prior year expenditures and anticipated revenues for the budget year.
2. The proposed budget is made available for public inspection no later than 15 days prior to the beginning of the year. A public hearing on the budget is advertised in the Livingston Parish News.
3. All annual appropriations lapse at fiscal year-end.
4. Budget amounts included in the accompanying financial statements include the original adopted budgets.
5. Formal budgetary integration (with the accounting system) is employed as a management control device. During the fiscal year, actual revenues and expenditures are compared to budgeted revenues and expenditures by the Assessor. If actual revenues are falling short of budgeted revenues by 5% or more, or if actual expenditures to date plus projected expenditures for the

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019**

remainder of the year exceed the budgeted expenditures by 5% or more, the original budget is amended by the Assessor.

There were no material variances in actual revenues and other sources under budgeted revenues and other sources or actual expenditures and other sources over budgeted amounts for the year ended December 31, 2019 that would have resulted in a violation of the Local Government Budget Act.

3. Cash and Cash Equivalents

At December 31, 2019, the Assessor has cash and cash equivalents (book balances) as follows:

	December 31, 2019
Cash on Hand	\$ 500
Demand Deposits	872,341
Louisiana Asset Management Pool (LAMP)	207,199
Time and Savings Accounts	6,837
Total	\$ 1,086,877

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

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2019, the Assessor had \$1,202,075 in deposits other than LAMP in financial institutions (collected bank balances) and \$6,837 in cash deposits in a broker account. These combined deposits of \$1,208,912 (bank balance) consisted of \$972,074 in demand deposits, \$6,837 in time and savings deposits (See Note 4), and \$230,001 in certificates of deposit held as investments (See Note 4). The Assessor's demand deposits of \$972,074 and \$230,001 of its certificates of deposit are held at one financial institution. Of these amounts, \$250,000 are secured from risk by federal deposit insurance of \$250,000 and the remaining \$952,075 is secured by pledged securities. The \$952,075 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The time and savings deposit of \$6,837 is held in a broker account and is secured by SPIC brokerage insurance.

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

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

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Assessor does not have a formal policy for custodial risk. However, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019**

4. Investments

Investments are categorized into these three categories of credit risk:

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

At December 31, 2019, Livingston Parish Assessor investment balances consisted of the following:

	<u>Maturity Date</u>	<u>Carrying Amount</u>	<u>Fair Market Value</u>
Certificates of Deposit	August 25, 2020	\$ 208,937	\$ 208,937
Certificates of Deposit - Held in Broker Account	April 19, 2021	21,064	21,064
Bonds			
Louisiana Pub Facs Auth			
Hospital Rev Franciscan			
Missionairies PJ (A2)	July 1, 2042	<u>102,986</u>	<u>102,986</u>
	Total \$	<u>332,987</u>	<u>\$ 332,987</u>

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

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

The Assessor held one certificate of deposit that qualified as an investment, at December 31, 2019, with a market value of \$208,937. The certificate of deposit bears an interest rate of 0.80% and matured on August 25, 2020. The certificates of deposit are not included in cash equivalents at December 31, 2019 because their original maturity date is greater than 90 days. Any penalty for early withdrawal would not have a material effect on the financial statements. The Assessor also has one certificate of deposit that is held in a broker account, at December 31, 2019, with a market value of \$21,064. The certificate of deposit bears an interest rate of 2.25% and matures on April 19, 2021. The certificate of deposit is not included in cash equivalents at December 31, 2019 because the original maturity date is greater than 90 days. Any penalty for early withdrawal would not have a material effect on the financial statements. The Assessor also had a bond in the amount of \$124,050. The Louisiana Public Facilities Bond has an amortized cost of \$100,483 with a market value of \$102,986, with an unrealized gain of \$2,503 and is scheduled to mature in July 2042.

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

In accordance with GASB Codification Section I50.165, the investment in LAMP at December 31, 2019, is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

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

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

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

1. Credit risk: LAMP is rated AAAM by Standards and Poor's.
2. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: LAMP is designed to be highly liquid to give participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 46 days (from LAMP's monthly Portfolio Holding) as of December 31, 2019.
5. Foreign currency risk: Not applicable to 2a7-like pools.

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

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

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

5. Levied Taxes

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

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

The Livingston Parish Assessor is authorized to levy up to 8.52 mills in ad valorem taxes. An 8.52 mill ad valorem tax was levied for the year ended December 31, 2019. The total assessed valuation for all taxpayers at December 31, 2019 was \$814,702,862. There were no individual taxpayers whose assessed tax was greater than 5% of the total taxes assessed.

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

6. Receivables

The Governmental Fund receivables at December 31, 2019 consist of the following:

Government Receivables

Ad Valorem Taxes	\$	4,325,448
Revenue Sharing		42,591
Due from Other Governments		29,202
Other Receivables		11,224
Total Government Receivables	\$	<u>4,408,465</u>

Uncollectible amounts due for Ad Valorem taxes are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The estimated uncollectible amount at December 31, 2019 for Ad Valorem taxes is \$194,688.

7. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2019 for governmental activities is as follows:

Governmental Activities Capital Assets:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ 1,101,742	\$ 1,883,629	\$ (2,985,371)	\$ -
Total Capital Assets Not Being Depreciated	<u>1,101,742</u>	<u>1,883,629</u>	<u>(2,985,371)</u>	<u>-</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	517,641	-	(517,641)	-
Vehicles	291,778	-	(51,620)	240,158
Machinery and Equipment	66,128	33,403	(20,772)	78,759
Computers	346,028	-	-	346,028
Total Capital Assets Being Depreciated	<u>1,221,575</u>	<u>33,403</u>	<u>(590,033)</u>	<u>664,945</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	213,864	16,419	(230,283)	-
Vehicles	145,063	37,435	(51,620)	130,878
Machinery and Equipment	65,421	1,592	(20,772)	46,241
Computers	342,776	2,238	-	345,014
Total Accumulated Depreciation	<u>767,124</u>	<u>57,684</u>	<u>(302,675)</u>	<u>522,133</u>
Total Capital Assets Being Depreciated, Net	<u>454,451</u>	<u>(24,281)</u>	<u>(287,358)</u>	<u>142,812</u>
Total Governmental Activities Capital Assets, Net	\$ <u>1,556,193</u>	\$ <u>1,859,348</u>	\$ <u>(3,272,729)</u>	\$ <u>142,812</u>

Depreciation was charged to governmental functions as follows:

General Government	\$	<u>57,684</u>
	\$	<u>57,684</u>

Capital asset increases included \$33,403 for computer equipment, furniture, and a security system. Construction in progress in 2019 related to the new Assessor's office building totaled \$1,883,629. The new Assessor's office building was completed in 2019 and the total cost of \$2,985,371 was reported as a capital transfer out to the Livingston Parish Council who owns the building. See Note 15 - Cooperative Endeavor Agreement related to the construction of a new office building to house the Livingston Parish Assessor for further information. The Assessor sold vehicles that had an original cost of \$51,620. These vehicles were fully depreciated. Other capital asset decreases include a loss on disposal of undepreciated leasehold improvements related to the old Assessor office building in the amount of \$287,358. Machinery

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019**

and equipment from the old Assessor building totaling \$20,772 were fully depreciated and approved to surplus.

8. Retirement Systems

A. Louisiana Assessors' Retirement Fund and Subsidiary

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

The Assessor implemented Governmental Accounting Standards Board (GASB) Statement 68 on *Accounting and Financial Reporting for Pensions* and Statement 71 on *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB 68. These standards require the Assessor to record its proportional share of each of the pension plans' net pension liability and report the following disclosures:

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

Retirement Benefits:

Plan benefits are as follows:

For employees hired prior to October 1, 2013:

Any age with 30 or more years of creditable service
Age 55 with 12 years of creditable service

For employees hired after October 1, 2013:

Age 55 with 30 years of service
Age 60 with 12 years of service

Members whose first employment making them eligible for membership began prior to October 1, 2006, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 36 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2006 but before October 1, 2013, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2013 but who have less than thirty years of service, are entitled annual pension benefits equal to three percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2013 and have thirty or more years of service, are entitled to annual pension benefits equal to one and one-third percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members may elect to receive their pension benefits in the form of a joint and survivor annuity.

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

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

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

Survivor Benefits:

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

Disability Benefits:

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

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

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

Back-DROP(Deferred Retirement Option Plan) Benefits:

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

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

- The member has accrued more service credit than the minimum required for eligibility for a normal retirement benefits.

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

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

At the time of retirement, a member who elects to receive a Back-DROP benefit shall select a Back-DROP period to be specified in whole months. The duration of the Back-DROP period shall not exceed the lesser of 36 months or the number of months of creditable service accrued after the member first attained eligibility for normal retirement. The Back-DROP period shall be comprised of the most recent calendar days corresponding to the member's employment for which service credit in the Fund accrued.

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

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

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

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

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

Excess Benefit Plan

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

Funding Policy:

Contributions for all members are established by statute at 8% of earned compensation. The contributions are deducted from the member's salary and remitted by the participating agency.

Administrative costs of the Fund are financed through employer contributions. According to the state statute, contributions for all employers are actuarially determined each year. The actuarially-determined employer contribution rate was 9.38% for the year ended September 30, 2019. The actual employer contribution rate was 8.00% of members' earnings for the year ended September 30, 2019. During the year ending December 31, 2019, the Assessor recognized revenue as a result of support received from non-employer contributing entities of \$500,711 for its participation in the Louisiana Assessors' Retirement Fund.

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 contributions, the employer is required to make direct contributions as determined by the Public Retirement Systems' Actuarial Committee.

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

At December 31, 2019, the Assessor reported a liability of \$953,812 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of September 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Assessor's proportion of the net pension liability was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At December 31, 2019, the Assessor's proportion was 3.615910%, which was an increase of 0.196381% from its proportion measured as of September 30, 2018.

For the year ended December 31, 2019, the Assessor recognized pension expense of \$803,718 which represents its proportionate share of the system's net expense including amortization of deferred amounts.

At December 31, 2019, the Assessor reported deferred outflows of resources and deferred inflows of resources related to the pension system from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,362	\$ (450,012)
Changes of Assumptions	1,007,281	-
Net difference between projected and actual earnings on pension plan investments	-	(110,748)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	23,889	(70,919)
Diff in Actual & Proportionate Contributions	-	-
Employer contributions subsequent to the measurement date	31,552	-
Total	<u>\$ 1,098,084</u>	<u>\$ (631,679)</u>

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019**

The Assessor reported a total of \$31,552 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of September 30, 2019 which will be recognized as a reduction in net pension liability in the year ended December 31, 2020.

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

<u>Year</u>	
2020	\$ 8,021
2021	\$ 59,019
2022	\$ 170,145
2023	\$ 171,682
2024	\$ 25,980
	\$ 434,847

Actuarial Assumptions.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of September 30, 2019 is as follows:

Valuation Date	September 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.00%, (Net of pension plan investment expense, including inflation)
Expected Remaining Service Lives	6 years
Inflation Rate	2.20%
Salary Increases	5.75%
Annuitant and beneficiary mortality	RP 2000 Healthy Annuitant Table set forward one year and projected to 2030 for males and projected to 2030 for females with no set forward.
Active Members Mortality	RP-2000 Employee Table set back four years for males and three years for females.
Disabled Lives Mortality	RP-2000 Disabled Lives Mortality Tables set back five years for males and three years for females.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, of 2.5%, and an adjustment for the effect of rebalancing/diversification. The resulting long-term expected arithmetic nominal return was 8.38% as of September 30, 2019.

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019**

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of September 30, 2019, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Domestic Bonds	2.50%
International Bonds	3.50%
Real Estate	4.50%
Alternative Assets	6.24%

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 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, the Fund'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.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the participating employers calculated using the discount rate of 6.00%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Rates	5.00%	6.00%	7.00%
Livingston Parish Assessor Share of NPL	\$ 2,710,124	\$ 953,812	\$ (551,533)

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

B. Other Pension Plans

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

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

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019**

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

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

Retirement Expense for these other pension plans for 2019 was \$159,849.

9. Other Post-Employment Benefits

General Information about the OPEB Plan

Plan Description. The Livingston Parish Assessor contributes to a single-employer defined benefit healthcare plan (“Plan”). The Plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Livingston Parish Assessor’s group health insurance plan, which covers both active and retired members. Eligible members are those employees who work at least 35 hours a week for the Livingston Parish Assessor, who have completed a waiting period of thirty consecutive days while employed, and who are eligible for the Livingston Parish Assessor’s retirement plan. Eligible members are also retired employees who are at least 55 years of age (or have at least 30 years of service regardless of age); who have at least 12 years of service with the Livingston Parish Assessor; and who were covered under the Plan for a minimum of thirty consecutive days immediately preceding retirement. Benefit provisions are established by the Livingston Parish Assessor. The Plan does not issue a publicly available financial report.

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

Plan Membership. At January 1, 2019 (the valuation date), the Plan’s membership consisted of the following:

Active Employees	27
Retirees	3
	<u>30</u>

Total OPEB Liability

The Assessor’s total OPEB liability of \$7,376,879 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Salary Increases	3.00%
Discount Rate	2.74%
Healthcare Cost Trend Rate	4.3% Non-Medicare; 4.7% Medicare
Participation Rate	100% of members assumed to elect retiree medical coverage at retirement

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

Marriage For actives, it is assumed that husbands are 3 years older than their wives with 20% of active participants electing spouse coverage at retirement

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index as of December 31, 2019.

Mortality rates were based on the following:

Health retirement: Sex-distinct RP-2010 General Mortality with separate employee and healthy annuitant rates, projected generationally using Scale MP-2019.

Beneficiaries: Sex-distinct Pub-2010 General Contingent Survivors Mortality, projected generationally using Scale MP-2019.

Disability retirement: Sex-distinct Pub-2010 General Disabled Retirees Mortality, projected generationally using Scale MP-2019.

Changes in the Total OPEB Liability.

Balance as of December 31, 2018	\$ <u>5,513,854</u>
Changes for the year:	
Service cost	305,783
Interest on total OPEB liability	237,692
Effect of plan changes	-
Effect of economic/demographic gains or losses	-
Effect of Assumptions, changes or inputs	1,364,520
Benefit payments	<u>(44,970)</u>
Balance as of December 31, 2019	\$ <u>7,376,879</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Assessor, as well as what the Assessor's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.74%) or 1-percentage-point higher (3.74%) than the current discount rate:

	1% Decrease (1.74%)	Discount Rate (2.74%)	1% Increase (3.74%)
Total OPEB Liability	\$ 8,966,227	\$ 7,376,879	\$ 6,141,254

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

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 6,255,480	\$ 7,376,879	\$ 8,838,448

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019**

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

For the year ended December 31, 2019, the Assessor recognized OPEB expense of \$674,171. At December 31, 2019, the Assessor reported deferred outflows or resources and deferred inflow of resources to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (163,166)	\$ -
Changes of Assumptions	(93,441)	1,189,582
Amounts paid subsequent to the measurement date	-	-
Total	<u>\$ (256,607)</u>	<u>\$ 1,189,582</u>

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

Years Ending December 31:		
2020	\$	130,696
2021		130,696
2022		130,696
2023		130,696
2024		130,696
Thereafter		279,495
	<u>\$</u>	<u>932,975</u>

10. Accounts and accrued Payables

Governmental Funds Payable	December 31, 2019
Accounts	\$ 49,864
Other	
Pension Fund Deduction Payable	44,638
Payroll Liabilities Payable	27,875
Total Government Funds Payable	<u>\$ 122,377</u>

11. Long Term Liabilities

The Assessor did not have any long-term obligations at December 31, 2019, except for the unfunded OPEB obligation as described in Note 9 and the compensated absences payable of \$34,768.

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

Certain operating expenditures of the Livingston Parish Assessor are provided by the Livingston Parish Council and are not included in the accompanying financial statements. For the fiscal year ended December 31, 2019, the Parish Council provided utilities and insurance coverage for office space for the Livingston Parish Assessor for the building located at 29940 South Magnolia Street. During 2019, the new Assessor building was completed and the Assessor began occupation in August 2019. Under the new Cooperative Endeavor Agreement, the Parish will be responsible for the payment of utilities, pest control, and alarm security services for the Assessor's portion of the building and shall not exceed \$25,000

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

annually. See Note 15 for further information on the Cooperative Endeavor Agreement with Livingston Parish Council.

13. Risk Management

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

14. Contingent Liabilities

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

15. Cooperative Endeavor Agreements

The Livingston Parish Assessor had a cooperative endeavor agreement with the Parish of Livingston, Livingston Parish Law Enforcement District, and the Livingston Parish Clerk of Court to construct an office building for the Livingston Parish Assessor's Office, and storage space for the Livingston Parish Sheriff's Office, Livingston Parish Clerk of Court and the 21st Judicial District Court. In exchange for providing this tract of land for the Livingston Parish Assessor, Livingston Parish Sheriff, Livingston Parish Clerk of Court and the 21st Judicial District Court agree to fund the costs of the construction as set forth within the agreement. Livingston Parish Assessor, Livingston Parish Sheriff, Livingston Parish Clerk of Court and the 21st Judicial District Court will be given exclusive use of the building for 99 years to be extended for additional periods of time by the Parish Council if the building is still needed. The Parish will only be responsible for the payment of utilities, pest control and alarm security services for the Assessor's portion of the building which shall not exceed \$25,000 annually. The Sheriff, Clerk and Judges will pay for the utility services provided to their respective storage space. The Assessor from his funds, will pay for 100% of the cost of the part of the building as designated for the Assessor on the plan. In addition, thereto, he shall pay 25% of the cost of construction of the parking lot. This agreement was executed on October 12, 2017. The building was completed in 2019 and the Assessor occupied the building August 2019.

16. Tax Abatements

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers attractive tax incentive for manufacturers within the state. The program abates, for up to ten years, local property taxes (ad valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. The exemption is granted per contract with the Louisiana Department of Economic Development and will specify the buildings and/or personal property items covered by the exemption. For the year ended December 31, 2019, \$83,640.65 in Assessor ad valorem tax revenues were abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP).

17. Operating Lease Revenue

Miscellaneous revenue includes rent received in the amount of \$6,660 for space rented during 2019. On September 1, 2019, Tangipahoa Parish Government-Geaux Center entered into a rental lease agreement with the Livingston Parish Assessor to rent approximately 1,132 square feet of space within the building

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

of the Livingston Parish Assessor for \$1,332 per month beginning September 1, 2019 through July 31, 2024. Rent includes utilities. The term of the lease can be renewed by mutual agreement of the parties.

18. Subsequent Events

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic and this pandemic has resulted in federal, state, and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders, and quarantining of people that may have been exposed to the virus. As the COVID-19 pandemic is complex and rapidly evolving, at this point we cannot reasonably estimate the duration or severity of this pandemic nor its impact on the entity, its financial position, change in financial position, or cash flows.

Subsequent events have been evaluated by management through October 27, 2020, the date the report was available for issuance. No other events were noted that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2019.

Required Supplementary Information (Part II)

Livingston Parish Assessor
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual
General Fund
For the year ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Revenues				
Ad Valorem Taxes	\$ 4,186,000	\$ 4,000,000	\$ 4,105,580	\$ 105,580
Intergovernmental				-
State Revenue Sharing	120,000	120,000	135,722	15,722
Fees Charged to Other Governments	-	-	29,982	29,982
Charges for Services	-	-	12,667	12,667
Interest	-	-	16,465	16,465
Other	80,000	35,000	13,741	(21,259)
Total Revenues	<u>4,386,000</u>	<u>4,155,000</u>	<u>4,314,157</u>	<u>159,157</u>
Expenditures				
Salaries	1,400,000	1,900,000	1,790,013	109,987
Benefits	800,000	1,300,000	1,109,484	190,516
Payroll Taxes	-	-	35,311	(35,311)
Insurance	-	-	62,183	(62,183)
Other operating	-	-	80,613	(80,613)
Professional Fees	100,000	660,000	655,590	4,410
Repairs and Maintenance	100,000	240,000	48,745	191,255
Supplies	60,000	75,000	98,928	(23,928)
Tax Collector Expense	-	-	2,489	(2,489)
Travel and Training	40,000	50,000	35,655	14,345
Utilities	-	-	37,928	(37,928)
Capital Outlays	1,886,000	2,000,000	1,917,032	82,968
Total Expenditures	<u>4,386,000</u>	<u>6,225,000</u>	<u>5,873,971</u>	<u>351,029</u>
Excess Revenues (Expenditures)	<u>-</u>	<u>(2,070,000)</u>	<u>(1,559,814)</u>	<u>510,186</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	-	-
Sale of Fixed Assets	-	-	9,392	9,392
Capital Lease Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>9,392</u>	<u>9,392</u>
Net Change in Fund Balances	<u>-</u>	<u>(2,070,000)</u>	<u>(1,550,422)</u>	<u>519,578</u>
Fund Balances, Beginning	<u>-</u>	<u>6,172,627</u>	<u>6,172,627</u>	<u>-</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ 4,102,627</u>	<u>\$ 4,622,205</u>	<u>\$ 519,578</u>

See Independent Auditor's Report.

Livingston Parish Assessor
Schedule of Changes in Net OPEB Liability and Related Ratios
For the year ended December 31, 2019

Total OPEB Liability:	<u>2018</u>	<u>2019</u>
Service Cost	\$ 599,852	\$ 305,783
Interest	270,656	237,692
Effect of Plan Changes	(2,264,213)	-
Economic/Demographic Gains or (Losses)	(219,430)	-
Changes of Assumptions	(125,661)	1,364,520
Benefit Payments	<u>(30,580)</u>	<u>(44,970)</u>
Net Change in Total OPEB Liability	<u>(1,769,376)</u>	<u>1,863,025</u>
Beginning OPEB Liability	<u>7,283,230</u>	<u>5,513,854</u>
Ending OPEB Liability	<u>\$ 5,513,854</u>	<u>\$ 7,376,879</u>
 Covered-Employee Payroll	 \$ 1,614,204	 \$ 1,790,013
 Employer's OPEB liability as a percentage of covered-employee payroll	 341.58%	 412.11%

Notes to Schedule:

Benefit Changes. There were no changes of benefit terms for the year ended December 31, 2019.

Changes of Assumptions. There were no changes of assumptions for the year ended December 31, 2019.

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

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

See Independent Auditor's Report.

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

Louisiana Assessors' Retirement Fund and Subsidiary:

	Employer's Proportion of the Net Pension Liability (Assets)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered- Employee Payroll	Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	3.909484%	\$ 2,045,922	\$ 1,642,732	124.543870%	85.570000%
2016	3.840189%	1,355,085	1,673,188	80.988209%	90.677700%
2017	3.601225%	631,911	1,581,003	39.968994%	95.610400%
2018	3.419529%	664,769	1,507,274	44.104058%	95.456600%
2019	3.615910%	953,812	1,608,666	59.292109%	94.124382%

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

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

See Independent Auditor's Report.

**Livingston Parish Assessor
Schedule of the Assessor's Contributions
For the year ended December 31, 2019**

Louisiana Assessors' Retirement Fund and Subsidiary:

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 217,870	\$ 217,870	\$ -	\$ 1,613,615	13.501982%
2016	248,472	248,472	-	1,700,876	14.608472%
2017	133,481	133,481	-	1,533,391	8.704955%
2018	122,408	122,408	-	1,530,106	7.999969%
2019	128,533	128,533	-	1,606,666	7.999983%

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

See Independent Auditor's Report.

Other Supplementary Information

Livingston Parish Assessor
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the year ended December 31, 2019

Agency Head: Jeff Taylor, Assessor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 158,746
Benefits - Insurance	24,271
Benefits - Retirement	25,399
Per Diem and Meals Reimbursement	1,078
Employer Paid Payroll Taxes	2,302
Travel-Lodging	3,190
Travel-Conference/Workshop Registration fees	2,010
Travel-Airfare/Transportation Costs	2,129
Total	<u>\$ 219,125</u>

See Independent Auditor's Report.

Livingston Parish Assessor
Schedule of Findings and Responses
For the Year Ended December 31, 2019

Section I Summary of Auditor's Results

Financial Statements

a. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

- Unmodified Qualified
- Disclaimer Adverse

b. *Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control:

- Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance:

- Noncompliance Material to Financial Statements Yes No

Federal Awards - NA

Internal Control over major federal Programs:

- Material Weaknesses Yes No Significant Deficiencies Yes No

Type of auditor's report issued on compliance for major federal programs:

- Unmodified Qualified
- Disclaimer Adverse

Are there findings required to be reported in accordance with 2 CFR 200.516(a)

- Yes No

Was a management letter issued?

- Yes No

Identification of Major Programs:

CFDA Number (s)	Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

Livingston Parish Assessor
Schedule of Findings and Responses
For the Year Ended December 31, 2019

Section II Financial Statement Findings

None

Section III Federal Award Findings and Questioned Costs

None

Livingston Parish Assessor
Schedule of Prior Year Findings and Responses
For the Year Ended December 31, 2019

Section I Internal Control and Compliance Material to the Financial Statements

None

Section II Internal Control and Compliance Material to Federal Awards

None

Section III Management Letter

N/A

This schedule was prepared by management.

Bruce C. Harrell, CPA

Kristi U. Bergeron, CPA
Jessica H. Jones, CPA
Brandy W. Garcia, CPA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish Assessor, Livingston, Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Livingston Parish Assessor's basic financial statements and have issued our report thereon October 27, 2020.

Internal Control over Financial Reporting

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

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

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

BRUCE HARRELL AND CO., CPAs
CERTIFIED PUBLIC ACCOUNTANTS
A professional accounting corporation

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Bruce Harrell & Co." with a stylized flourish at the end.

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

Kentwood, Louisiana
October 27, 2020

Livingston Parish Assessor

Statewide Agreed-Upon Procedures

As of and for the Year Then Ended December 31, 2019



BRUCE HARRELL & COMPANY
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Independent Accountant's Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the Livingston Parish Assessor (Entity) and the Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the Louisiana's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUP's.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

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

b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Management will develop, approve and implement a disaster recovery/business continuity written policy and update its policy and procedure manual.

Collections (excluding EFTs)

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

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

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

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

There are no cash drawers or registers. No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

No exception noted.

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

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

N/A. The Assessor does not use pre-numbered receipts. All collections are received from other governments. The Assessor uses remittances as support. No exception noted.

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

The Assessor does not use receipts or system reports. The Assessor uses other collection related documentation for support to trace remittances to deposit slips. No exception noted.

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

No exception noted.

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

Specific collection date is unknown for collections as the collection date is not recorded on the source documents.

Managements response: The Assessor will follow up and ensure that remittances are being initialed and dated when the Assessor's office receives checks. This date will serve as the collection date as noted above.

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

No exception noted.

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

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



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

October 27, 2020