

UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2019**

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Union Parish Assessor (the Assessor), a component unit of the Union Parish Police Jury, 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Assessor, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 12 to the financial statements, operations of the Assessor are impacted by the pandemic caused by the Coronavirus/COVID-19. The Assessor is uncertain how and to what extent the pandemic will negatively affect operations, financial position, and the ability to provide services. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information (page 36), the Employee Health Care Plan – Schedule of Funding Progress (page 37), the Schedule of Employer’s Proportionate Share of Net Pension Liability (page 38), and the Schedule of Employer’s Contributions to Retirement System (page 39) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Assessor’s basic financial statements. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to the Assessor presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2020, on our consideration of the Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Assessor's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Assessor's internal control over financial reporting and compliance.

BOSCH & STATHAM, LLC

A handwritten signature in blue ink that reads "Bosch & Statham".

Ruston, Louisiana
June 30, 2020

BASIC FINANCIAL STATEMENTS

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2019**

ASSETS

Cash and cash equivalents	\$ 89,856
Receivables, net of allowance for uncollectibles	687,743
Capital assets, net of accumulated depreciation	374,562
Other assets	279
TOTAL ASSETS	1,152,440

DEFERRED OUTFLOWS

Pension related	288,006
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LIABILITIES

Accounts payable	26,046
Payroll and related liabilities	39
Noncurrent liabilities:	
Due within one year	13,054
Due in more than one year	117,000
Net OPEB obligation	1,329,387
Net pension liability	246,617
TOTAL LIABILITIES	1,732,143

DEFERRED INFLOWS

Pension related	156,052
OPEB related	418,935
TOTAL DEFERRED INFLOWS	574,987

NET POSITION

Net investment in capital assets	244,508
Unrestricted net position	(1,111,192)
TOTAL NET POSITION	\$ (866,684)

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

UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Expenses - general government:	
Personal services and related expenses	\$ 522,680
Operating services	215,173
Materials and supplies	12,885
Travel, training, and meetings	24,917
Depreciation	24,069
Debt service - interest	8,741
OPEB obligation	84,156
Pension expense	153,832
Total expenses - general government	<u>1,046,453</u>
Program revenues:	
Charges for services	3,169
Operating grants and contributions	129,464
Total program revenues	<u>132,633</u>
Net program expense	<u>913,820</u>
General revenues:	
Property taxes	770,174
Payments in lieu of taxes	4,782
Interest earned	6,433
Total general revenues	<u>781,479</u>
Change in net position	<u>(132,341)</u>
Net position at beginning of year	<u>(734,343)</u>
Net position at end of year	<u>\$ (866,684)</u>

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**GOVERNMENTAL FUND - GENERAL FUND
BALANCE SHEET
AS OF DECEMBER 31, 2019**

ASSETS

Assets:	
Cash and cash equivalents	\$ 89,856
Receivables, net of allowance for uncollectibles	687,743
Other assets	<u>279</u>
TOTAL ASSETS	<u>\$ 777,878</u>

LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES

Liabilities:	
Accounts payable	\$ 26,046
Payroll and related liabilities	<u>39</u>
Total liabilities	<u>26,085</u>
Deferred inflows:	
Unavailable ad valorem tax revenue	50,105
Fund balances:	
Unassigned	<u>701,688</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 777,878</u>

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

UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2019

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

Total fund balance	\$ 701,688
Capital assets used in governmental activities are not financial resources and, therefore, are deferred in the fund statements.	374,562
Deferred inflows in the governmental fund balance sheet are recognized as revenue in the statement of activities and are not included in the statement of net position.	50,105
Deferred items related to net OPEB liability:	
Deferred inflows	(418,935)
Deferred items related to net pension liability:	
Deferred outflows	288,006
Deferred inflows	(156,052)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund statements.	
Long-term debt	(130,054)
Net OPEB obligation	(1,329,387)
Net pension liability	(246,617)
Net position of governmental activities	<u>\$ (866,684)</u>

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**GOVERNMENTAL FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2019**

Revenues:	
Ad valorem taxes	\$ 794,870
Payments in lieu of taxes	4,782
Charges for services	3,169
Interest earned	6,433
Other revenues	90
Total revenues	<u>809,344</u>
Expenditures:	
Current - general government:	
Personal services and related expenses	522,680
Operating services	215,173
Materials and supplies	12,885
Travel, training, and meetings	24,917
Debt service - principal	27,946
Debt service - interest	8,741
Total expenditures	<u>812,342</u>
Net change in fund balance	(2,998)
Fund balance at beginning of year	<u>704,686</u>
Fund balance at end of year	<u>\$ 701,688</u>

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

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

Net change in fund balance **\$ (2,998)**

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

Payments on long-term debt	27,946
OPEB expense	(84,156)
Pension expense	(153,832)

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

Depreciation expense	(24,069)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. They are reported as unavailable revenues, a deferred inflow.

Unavailable ad valorem taxes (received more than 60 days after year end)	50,105
Ad valorem tax revenues recognized in the fund financial statements this year but government-wide statements last year	(74,801)
Nonemployer contributions to pension plan	<u>129,464</u>

Change in net assets of governmental activities **\$ (132,341)**

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

At December 31, 2019, there are approximately 22,000 real, movable, and public service assessment listings.

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

Government-wide and fund financial statements

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

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation

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

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

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

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

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

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and payables

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

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

As provided by Louisiana Revised Statute 47:1925, the Assessor is authorized to levy an ad valorem tax in lieu of pro rata deductions from ad valorem taxing authorities. For the year ended December 31, 2019, the Assessor levied 4.97 mills to provide funding for the office.

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

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

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue</u>
Midcontinent Express Pipeline, LLC	\$ 16,959,700	8.90%	\$ 1,099,328
Foster Poultry Farms	12,043,396	6.32%	780,653
Gulf Crossing Pipeline Company	9,522,960	5.00%	617,278
Claiborne Electric Coop.	5,284,830	2.77%	342,563
CenturyTel Service Group, LLC	4,383,934	2.30%	284,167
Enable Gas Transmission, LLC	3,201,440	1.68%	207,517
Entergy Louisiana, Inc.	2,769,290	1.45%	179,505
Enervest Operating Company	2,615,250	1.37%	169,521
Weyerhaeuser Company	1,871,179	0.98%	121,290
Trans-Union Interstate Pipeline	1,566,360	0.82%	101,531
Totals	<u>\$ 60,218,339</u>	<u>31.59%</u>	<u>\$ 3,903,353</u>

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

The Assessor uses the following budget practices:

The Assessor adopted an operating budget on a basis consistent with generally accepted accounting principles on his governmental fund for the year ended December 31, 2019, as required by generally accepted accounting principles as applicable to governmental units and as required by Louisiana law. Budgetary data is prepared based on prior-year actual operating revenues and expenditures and expected differences between actual and anticipated revenues and expenditures. The budget is monitored by management and amended throughout the year as necessary.

The 2019 budget for the general fund was authorized by the Assessor, made available for public inspection at the Assessor's office, and adopted by the Assessor. The Assessor amended the budget prior to the end of the year.

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

Cash and cash equivalents

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

Investments

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

Inventories

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital assets

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

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

Deferred inflows

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

Compensated absences

All employees receive from ten to twenty days of noncumulative vacation leave each year, depending on length of service. Employees earn eighteen days of noncumulative sick leave each year. At December 31, 2019, there are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure.

Fund Balance Classifications and Net Position

Fund balances are reported under the following fund balance classifications:

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classifications and Net Position (Continued)

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

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

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

Net investment in capital assets - Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

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

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

Reconciliation of Government-wide and Fund Financial Statements

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates

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

NOTE 2 – CASH AND CASH EQUIVALENTS

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

At December 31, 2019, the Assessor has cash and cash equivalents (book balances) totaling \$89,856 as follows:

Cash and cash equivalents:	
Demand deposits	\$ 89,329
Other	<u>527</u>
Total	<u>\$ 89,856</u>

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

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of December 31, 2019, the Assessor’s bank balances of \$109,583 were covered by federal deposit insurance.

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 3 – RECEIVABLES

The following is a summary of receivables at December 31, 2019:

Receivables:

Taxes and licenses	\$ 725,636
Less allowance for uncollectibles	<u>(37,893)</u>
Net total receivables	<u>\$ 687,743</u>

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

NOTE 4 – CAPITAL ASSETS

A schedule of changes in capital assets for the year ended December 31, 2019, follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated:				
Buildings	\$ 451,000	\$ -	\$ -	\$ 451,000
Furniture and equipment	145,048	-	-	145,048
Vehicles	50,573	-	-	50,573
Total capital assets being depreciated	<u>646,621</u>	<u>-</u>	<u>-</u>	<u>646,621</u>
Less accumulated depreciation for:				
Buildings	97,164	13,983	-	111,147
Furniture and equipment	100,252	10,086	-	110,338
Vehicles	50,574	-	-	50,574
Total accumulated depreciation	<u>247,990</u>	<u>24,069</u>	<u>-</u>	<u>272,059</u>
Total capital assets being depreciated	<u>398,631</u>	<u>(24,069)</u>	<u>-</u>	<u>374,562</u>
Governmental activities, capital assets, net	<u>\$ 398,631</u>	<u>\$ (24,069)</u>	<u>\$ -</u>	<u>\$ 374,562</u>

The assets acquired through the capital lease are as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
Building	<u>\$ 325,000</u>	<u>\$ (97,497)</u>	<u>\$ 227,503</u>

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 5 – CAPITAL LEASE

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

The future minimum lease obligations and the net present value of the minimum lease payments as of December 31, 2019, are as follows:

<u>Year Ending Dec. 31</u>	
2020	\$ 16,365
2021	26,899
2022	27,041
2023	26,098
2024	26,132
2025	<u>26,100</u>
Totals	148,635
Less amount representing interest	<u>(18,581)</u>
Present value of minimum lease payments	<u>\$ 130,054</u>

NOTE 6 – LONG-TERM DEBT

Long-term obligation transactions for the year ended December 31, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
Governmental activities:						
Capital lease payable	\$ 158,000	-	\$ (27,946)	\$ 130,054	\$ 13,054	\$ 117,000
Net OPEB Liability	1,463,077	-	(133,690)	1,329,387	-	-
Net Pension Liability (Asset)	185,369	61,248	-	246,617	-	-
Governmental activity						
Long-term liabilities	<u>\$ 1,806,446</u>	<u>\$ 61,248</u>	<u>\$ (161,636)</u>	<u>\$ 1,706,058</u>	<u>\$ 13,054</u>	<u>\$ 117,000</u>

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 7 – LOUISIANA ASSESSORS’ RETIREMENT SYSTEM

Louisiana Assessors’ Retirement Fund (Fund)

The Union Parish Assessor contributes to the Louisiana Assessors' Retirement Fund which is a cost-sharing, multiple-employer, defined benefit pension plan. Substantially, all employees participate in the Plan. The Louisiana Assessors’ Retirement Fund was created by Act 91 Section 1 of the 1950 regular Legislative Session. The Fund was created by Act 91 Section 1 of the 1950 regular Legislative Session, and it functions under the provisions of Louisiana Revised Statutes 11:1401 through 1494. The plan is a qualified plan as defined by the Internal Revenue Code Section 401(a), effective January 1, 1998. Membership in the Fund is a condition of employment for Assessors and their full-time employees.

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

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

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

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

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

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

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 7 – LOUISIANA ASSESSORS’ RETIREMENT SYSTEM (CONTINUED)

Death Benefits

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

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

Disability Benefits

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

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

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

For the year ended December 31, 2019, the Union Parish Assessor's total payroll for all employees was \$356,243. Total covered payroll was \$356,243. Covered payroll refers to all compensation paid by the Union Parish Assessor to active employees covered by the Plan.

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 7 – LOUISIANA ASSESSORS’ RETIREMENT SYSTEM (CONTINUED)

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2019, the actual employer contribution rate was 8.00%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. The Union Parish Assessor's contributions to the Fund for the year ending December 31, 2019 were \$28,500.

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

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

At December 31, 2019, the Assessor reported a liability of \$246,617 for its proportionate share of the Net Pension Liability. 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 Union Parish Assessor's proportion of the Net Pension Liability was based on a projection of the Union Parish Assessor's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2019, the Assessor's proportion was 0.934927%, which was a decrease of 0.018599% from its proportion measured as of September 30, 2018.

For the year ended December 31, 2019, the Union Parish Assessor recognized pension expense of \$174,373 plus the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$20,541). Total pension expense for the Union Parish Assessor for the year ended December 31, 2019 was \$153,832.

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 7 – LOUISIANA ASSESSORS’ RETIREMENT SYSTEM (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$9,143	\$116,355
Changes in assumptions	260,441	-
Net difference between projected and actual earnings on pension plan	-	28,636
Changes in employer’s proportion of beginning net pension liability	11,369	3,820
Differences between employer and proportionate share of contributions	161	7,241
Subsequent measurement contributions	6,892	-
Total	\$288,006	\$156,052

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

Year ended December 31,	
2020	\$7,415
2021	19,551
2022	48,187
2023	45,265
2024	4,647

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 7 – LOUISIANA ASSESSORS’ RETIREMENT SYSTEM (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of September 30, 2019, are 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.
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

Discount Rate

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 expense 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.

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 7 – LOUISIANA ASSESSORS’ RETIREMENT SYSTEM (CONTINUED)

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 participating employers will be made at the 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 Union Parish Assessor’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Union Parish Assessor’s proportionate share of the net pension liability calculated using the discount rate of 6.00%, as well as what the Fund’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.00%) or one percentage-point higher (7.00%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer’s proportionate share of net pension liability	\$700,727	\$246,617	(\$142,604)

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$246,617, which is the legally required contribution due at December 31, 2019. This amount is recorded in accrued expenses.

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 7 – LOUISIANA ASSESSORS’ RETIREMENT SYSTEM (CONTINUED)

Plan Fiduciary Net Position

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

NOTE 8 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

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

Benefits Provided – Medical, dental, and life benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by the Louisiana Assessors' Retirement Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: Attainment of age 55 and 12 years of service; or, any age and 30 years of service; employees hired on and after October 1, 2013 are not able to retire or enter DROP until age 60 with 12 years of service; or, age 55 with 30 years of service. The retiree must also have 20 years of service for the retiree to receive employer contributions.

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

Employees covered by benefit terms – At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>6</u>
Total	<u>9</u>

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

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

Total OPEB Liability

The Assessor's total OPEB liability of \$1,463,077 was measured as of December 31, 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	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.44% annually (Beginning of Year to Determine ADC) 4.10%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2019, the end of the applicable measurement period.

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2019.

Changes in the Total OPEB Liability

Balance at December 31, 2018	<u>\$ 1,463,077</u>
Changes for the year:	
Service Cost	\$ 59,587
Interest	56,111
Differences between expected and actual experience	(46,131)
Changes in assumptions	(171,715)
Benefit payments and net transfers	<u>(31,542)</u>
Net Changes	<u>\$ (133,690)</u>
Balance at December 31, 2019	<u>\$ 1,329,387</u>

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

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

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

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Assessor, as well as what the Assessor’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

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

**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 \$98,941. At December 31, 2019, the Assessor reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (42,583)
Changes in assumptions	-	(158,506)
Total	\$ -	\$ (201,089)

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

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

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		
<u>December 31:</u>		
2019	\$	(16,757)
2020		(16,757)
2021		(16,757)
2022		(16,757)
2023		(16,757)
Thereafter		(117,302)

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 9 – NEW ACCOUNTING STANDARDS

The following summaries of recently issued Statements include the Statements' original effective dates. In response to the COVID-19 global pandemic, GASB issued Statement Number 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which changes effective dates for Statements 83 through 93 to June 15, 2019 through December 31, 2022.

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

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

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 9 – NEW ACCOUNTING STANDARDS (CONTINUED)

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 9 – NEW ACCOUNTING STANDARDS (CONTINUED)

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

GASB Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 9 – NEW ACCOUNTING STANDARDS (CONTINUED)

GASB Statement No. 92, *Omnibus 2020*, The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports, reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan, the applicability of Statements No. 73, 74, and 84, measurement of liabilities (and assets, if any) related to asset retirement obligations in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and terminology used to refer to derivative instruments.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs).

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

NOTE 10 – CONTINGENCIES

There was no litigation pending at December 31, 2019.

NOTE 11 – RISK MANAGEMENT

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 30, 2020, the date on which the financial statements were available to be issued. Operations of the Assessor are impacted by the pandemic caused by the Coronavirus/COVID-19. The Assessor is uncertain how and to what extent the pandemic will negatively affect operations, financial position, and the ability to provide services.

REQUIRED SUPPLEMENTARY INFORMATION

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**GOVERNMENTAL FUND - GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
Revenues:				
Ad valorem taxes	\$ 730,000	\$ 692,000	\$ 794,870	\$ 102,870
Payments in lieu of taxes	4,000	5,000	4,782	(218)
Charges for services	2,000	3,000	3,169	169
Interest earned	3,000	5,000	6,433	1,433
Total revenues	739,000	705,000	809,344	104,344
Expenditures:				
Current:				
General government:				
Personal services and related expenses	591,000	595,000	522,680	72,320
Operating services	145,000	147,000	215,173	(68,173)
Materials and supplies	4,000	7,000	12,885	(5,885)
Travel, training, and meetings	26,000	24,000	24,917	(917)
Debt service	27,000	37,000	36,687	313
Capital outlay	15,000	3,000	-	3,000
Total expenditures	808,000	813,000	812,342	(658)
Net change in fund balances	(69,000)	(108,000)	(2,998)	105,002
Fund balance at beginning of year, restated	670,000	670,000	704,686	34,686
Fund balance at end of year	\$ 601,000	\$ 562,000	\$ 701,688	\$ 139,688

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**EMPLOYEE HEALTH CARE PLAN
SCHEDULE OF FUNDING PROGRESS
AS OF DECEMBER 31, 2019**

GASB 75:

Measurement Date	Fiduciary Net Position	Total OPEB Liability -		Funded Ratio	Covered Payroll	Net OPEB Liability as a Percentage of Covered Payroll
		Entry Age Normal Percentage of Salary	Net OPEB Liability			
December 31, 2018	\$ -	\$ 1,329,387	\$ 1,329,387	0.00%	\$ 341,745	389.00%

GASB 45:

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

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2019**

Description	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.93493%	0.95353%	0.87340%	0.85149%	0.86784%
Employer's proportionate share of the net pension liability (asset)	\$ 246,617	\$ 185,369	\$ 153,256	\$ 300,466	\$ 454,160
Employer's covered employee payroll	\$ 363,243	\$ 372,576	\$ 372,576	\$ 371,182	\$ 366,650
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	68.00%	49.75%	41.13%	80.95%	123.87%
Plan fiduciary net pension as a percentage of the total pension liability	94.12%	95.46%	95.61%	90.68%	85.57%

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

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Description	2019	2018	2017	2016	2015
Contractually required contribution	\$ 28,500	\$ 29,806	\$ 35,395	\$ 47,038	\$ 49,498
Contributions in relation to contractually required contribution	\$ 28,500	\$ 29,806	\$ 35,395	\$ 47,038	\$ 49,498
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered employee payroll	\$ 356,243	\$ 372,576	\$ 372,576	\$ 371,182	\$ 366,650
Contributions as a percentage of covered employee payroll	8.00%	8.00%	9.50%	12.67%	13.50%

Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

OTHER SUPPLEMENTAL INFORMATION

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO ASSESSOR
FOR THE YEAR ENDED DECEMBER 31, 2019**

Description	Amount
Salary per LRS 47:1907	\$ 130,479
Expense allowance per LRS 47:1907	14,498
Medicare	2,090
Benefits:	
Health and life insurance	12,251
Retirement	23,196
Conference registration fees	100
Dues:	
Louisiana Assessors' Association	3,432
IAAO	220
Travel advances	3,178
Mileage per diem	375
Adobe Pro DC License	188
	<u>\$ 190,006</u>

OTHER REPORTS



Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Honorable Lance Futch
Union Parish Assessor
Farmerville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of the Union Parish Assessor (the Assessor), 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, and have issued our report thereon dated June 30, 2020. The Independent Auditor's Report on the Financial Statements includes an emphasis of a matter paragraph discussing the Coronavirus/COVID-19 pandemic's potential effect on the Assessor's operations and financial condition.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

BOSCH & STATHAM, LLC



Ruston, Louisiana
June 30, 2020

**UNION PARISH ASSESSOR
FARMERVILLE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Union Parish Assessor.
2. No significant deficiencies are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Union Parish Assessor were disclosed during the audit.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

No findings were reported.

C. STATUS OF PRIOR YEAR FINDINGS

No prior year findings reported.

**Lance Futch, CLA
Union Parish Assessor**

**Sheryl Bearden, CLDA
Brian Sepulvado, CLDA
Erin Gunter, Dy.**

**101 North Main Street
Farmerville, LA 71241-2843
(318) 368-3232**

**Lashanda Amos, Dy.
Keri Chandler, CLDA**

June 30, 2020

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

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Up On Procedures (SAUPs), for the fiscal period January 1, 2019 through December 31, 2019, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

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

Yes No
2. For the fiscal period January 1, 2019 through December 31, 2019, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.

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

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

Union Parish Courthouse 1901-1960

Yes No
5. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between December 31, 2019, and June 25, 2020.

Yes No

CERTIFIED LOUISIANA ASSESSOR
MEMBER INTERNATIONAL ASSOCIATION OF ASSESSORS OF PUBLIC UTILITIES
MEMBER OF LOUISIANA ASSESSORS ASSOCIATION

Lance Futch, CLA
Union Parish Assessor

Sheryl Bearden, CLDA
Brian Sepulvado, CLDA
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Lashanda Amos, Dy.
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6. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.

Yes No

7. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.

Yes No

8. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.

Yes No

9. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.

Yes No

10. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.

Yes No

11. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.

Yes No

12. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.

Yes No

13. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.

Yes No

Union Parish Courthouse (904-1960)
CERTIFIED LOUISIANA ASSESSOR
MEMBER INTERNATIONAL ASSOCIATION OF ASSESSING OFFICERS
MEMBER OF LOUISIANA ASSESSORS ASSOCIATION

**Lance Futch, CLA
Union Parish Assessor**

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Keri Chandler, CLDA**

14. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.

Yes No

15. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.

Yes No

16. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.

Yes No

17. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.

Yes No

18. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.

Yes No

19. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.

Union Parish Courthouse 1964-1966

Yes No

20. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.

Yes No

21. We have disclosed to you [*list other matters as you have deemed appropriate*]

Yes No

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

Lance Futch, CLA
Union Parish Assessor
101 North Main Street
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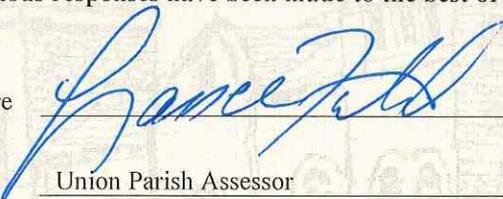
22. We have responded fully to all inquiries made by you during the engagement.

Yes No

23. We are not aware of any events that have occurred subsequent to December 31, 2019, that would require adjustment to or modification of the results of the agreed-upon procedures.

Yes No

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

Signature  Date June 30, 2020
Title Union Parish Assessor

Union Parish Courthouse 1904-1960

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

Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Union Parish Assessor
and the Louisiana Legislative Auditor

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain 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):

We obtained and inspected the entity's written policies and observed the following:

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

The policy included all required elements.

Exceptions: None

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

The policy did not include element (4), controls to ensure compliance with the public bid law.

Exceptions: See above.

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

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

The policy did not include (1), processing of disbursements.

Exceptions: See above.

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

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

The policy did not include the preparation of deposits. However, this was corrected in the 2020 revision of the policy.

Exceptions: See above.

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

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

The policy included all required elements.

Exceptions: None

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

The policy did not include (5), specific actions in the monitoring process.

Exceptions: See above.

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

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

The policy did not include (2), the allowable business uses.

Exceptions: See above.

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

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

The policy did not include the (2) dollar thresholds by category. However, this was corrected in the 2020 revision of the policy.

Exceptions: See above.

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

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

The policy did not include (2), the specific actions to be taken if an ethic violation takes place.

Exceptions: See above.

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

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

The policy included all required elements.

Exceptions: None

- j) **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 operation after a critical event.

We noted no such policy.

Exceptions: See above.

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

Board (or Finance Committee, if applicable)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

N/A

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

N/A

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

N/A

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

N/A

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. There is only one account. We randomly selected May 2019, and obtained and inspected the corresponding bank statement and reconciliation.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

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

Exceptions: None

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

The bank reconciliation was initialed by the Assessor.

Exceptions: None

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

There were stale items. However, the items were journal entries in both the deposits in transit section and the outstanding checks section that offset each other.

Exceptions: See above

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

Collections (excluding EFTs)

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

We obtained a listing of deposit sites for the fiscal period and management's representation that the listing is complete. There was only 1 site on the list.

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

We obtained a listing of collection locations for the deposit site listed and management's representation that the listing is complete. There was only 1 collection location. We inquired of employees about their job duties to determine how duties are segregated.

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

We noted all employees share one cash drawer.

Exceptions: See above.

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

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

We noted the employee responsible for making deposits also occasionally collects cash. There is no receptionist, so all employees share the responsibility of collecting cash.

Exceptions: See above.

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

- 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.

We noted no employee who collects cash is responsible for posting collection entries to the general ledger.

Exceptions: None.

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

We noted no employee reconciles cash collections to the general ledger.

Exceptions: See above.

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

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

We inquired of management who asserted that all employees who have access to cash are covered by an insurance policy for theft.

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

We randomly selected two deposit dates for the bank account listed. We obtained supporting documentation for the two deposits.

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

The two deposits tested were both directly deposited into the Assessor's account. Therefore no receipt was issued.

Exceptions: None.

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

Of the two deposits that were selected, one was a mailed in check and one was an electronic deposit. No receipts were issued.

Exceptions: None.

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

We traced the deposit slip total to the actual deposit per the bank statement for the deposit that had a deposit slip.

Exceptions: None.

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

We were unable to perform this procedure, as the receipt date of the check was not documented for one deposit and the other deposit was deposited directly into the Assessor's account.

Exceptions: None.

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

We noted no exceptions.

Exceptions: None.

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

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

We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. There was one location on the list.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that: [Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g. mayor of a Lawrason Act municipality); should not be report.]

We obtained a listing of employees that are involved in non-payroll purchasing and payment functions. We inquired of employees about their job duties and reviewed written policies to determine how duties are segregated.

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

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

Exceptions: None

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

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

Exceptions: None

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

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

Exceptions: See above.

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

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

We noted the employee responsible for processing payments does not mail checks. Checks are mailed by the Chief Deputy.

Exceptions: None.

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

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

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

We noted no exceptions.

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

We noted 4 of 5 disbursements tested included evidence of segregation of duties.

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

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

We obtained a listing from management of all active cards for the fiscal period, along with the card numbers and the person who maintained possession of the cards, and management's representation that the listing is complete.

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

We selected all 3 cards from the list and randomly selected one monthly statement for each card. We obtained the supporting documentation for the statements selected.

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

We noted none of the statements tested included written documentation that they were reviewed and approved.

Exceptions: See above.

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

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

We noted no finance charges or late fees.

Exceptions: None

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

One statement was for a fuel card. We selected all transactions for the other two statements.

1) We noted no exceptions.

2) We noted documentation of the business/public purpose for 1 of 4 transactions tested.

3) We noted no missing receipts.

Exceptions: See above.

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

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

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

We obtained a listing of all travel and travel-related expense reimbursements from management for the fiscal period and management's representation that the listing is complete. We randomly selected 5 reimbursements and obtained the related supporting documentation.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

We noted the entity's policy is to provide an advance for meals in accordance with the rates established by the U.S. General Services Administration. We noted 3 of 5 reimbursements agreed to the GSA rate, and 2 of 5 reimbursements did not agree. However the rate reimbursed was less than the GSA rate for that time period.

Exceptions: None

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

We noted no expense reimbursements/advances were issued using actual costs.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

We noted 3 of 5 reimbursements were supported by documentation of the business/public purpose, and 2 reimbursements were not adequately supported. For example, there was no documentation attached to the check. There was only a check memo such as "advance for class in Baton Rouge". There were no details of the exact conference and dates.

Exceptions: See above.

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

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

We noted 3 of 5 reimbursements were not reviewed and approved in writing, and 2 of 5 reimbursements tested were for the Assessor, therefore they do not require approval.

Exceptions: See above.

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

Contracts

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

We inquired of management whether there were any contracts initiated or renewed during the fiscal period. Management asserted there were none.

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

There were no contracts to test.

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

There were no contracts to test.

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

There were no contracts to test.

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

There were no contracts to test.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

We obtained a listing of employees/elected officials and randomly selected five employees/officials. We obtained the related paid salaries and personnel files. We agreed the paid salaries to the authorized salaries per the Assessor's salary statement and the total salaries reported to the state retirement fund.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

We selected one pay period during the period. We obtained the attendance and leave documentation for the employees.

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

For the pay period selected, the employees were not recording attendance. Leave was only recorded against the leave balance in the event the employee did not show up for work. The Assessor purchased a digital clock in October 2019. Employees have been utilizing the clock to record attendance since October.

Exceptions: See above.

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

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

Not applicable

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

We observed leave taken during the testing period was reflected in the leave records.

Exceptions: None

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Management did not provide a listing. However, following inquiries it was noted one employee retired during the fiscal year. The retiree did not receive a termination payment.

Exceptions: None

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Exceptions: None.

Ethics

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

Using the five employees selected from procedure #16, we obtained the ethics documentation from management.

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

The documentation demonstrates that the Assessor and all employees completed one hour of ethics training during the fiscal period.

Exceptions: None

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Due to filing error, we were unable to inspect the signed attestation forms for the 2019 reporting period. However, while performing procedures for the prior year reporting period, the auditor observed the signing of the forms for the current period.

Exceptions: See above.

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

Debt Service

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

Management did not list any bonds/notes issued during the fiscal period.

Exceptions: None.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Management did not list any bonds/notes outstanding at the end of the fiscal period. However, the prior year financial statements included a capital lease payable. The lease did not include any special requirements.

Exceptions: See above.

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

Other

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

Management did not list any misappropriations.

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

We observed the required notice posted on the premises and the Assessor's website.

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

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

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana
June 30, 2020

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June 30, 2020

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RE: Statewide Agreed Upon Procedures

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

Sincerely,



Lance Futch, CLA
Union Parish Assessor

Union Parish Courthouse 1904-1960

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