

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

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**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2017**



**UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA**

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## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities and the General Fund of Union Parish Assessor, a component unit of the Union Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Union Parish Assessor, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 6), budgetary comparison information (page 36), the schedule of funding progress on the employee health care plan (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.

#### *Other Information*

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

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

Union Parish Assessor  
Independent Auditor's Report  
December 31, 2017

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2018 on our consideration of the Union Parish Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Assessor's internal control over financial reporting and compliance.

BOSCH & STATHAM, LLC

*Bosch & Statham*

Ruston, Louisiana  
June 27, 2018

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

**Management's Discussion and Analysis  
As of and for the Year Ended December 31, 2017**

Our discussion and analysis of the Union Parish Assessor (the Assessor) provides an overview of the Assessor's activities for the year ended December 31, 2017. Please read it in conjunction with the Assessor's financial statements.

**USING THIS ANNUAL REPORT**

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

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

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

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

At December 31, 2017, net position was as follows:

	<b>2017</b>	2016
Current and other assets	<b>\$ 846,780</b>	\$ 863,990
Capital assets, net	<b>414,547</b>	440,016
Total assets	<b>1,261,327</b>	1,304,006
Deferred outflows	<b>139,624</b>	183,867
Current liabilities	<b>51,247</b>	35,753
Long-term liabilities	<b>1,379,384</b>	1,403,710
Total liabilities	<b>1,430,631</b>	1,439,463
Deferred inflows	<b>111,680</b>	36,401
Net position:		
Invested in capital assets	<b>236,547</b>	242,016
Unrestricted	<b>(377,907)</b>	(230,007)
Total net position	<b>\$ (141,360)</b>	\$ 12,009

UNION PARISH ASSESSOR  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

For the year ended December 31, 2017, net position changed as follows:

CHANGE IN NET POSITION

	<u>2017</u>	<u>2016</u>
Program revenues:		
Charges for services	\$ 4,749	\$ 32,305
Operating grants and contributions	115,574	155,594
General revenues:		
Property taxes	750,590	768,402
Intergovernmental	4,049	3,409
Interest income	960	2,848
Total revenues	<u>875,922</u>	<u>962,558</u>
Expenses:		
General government	<u>1,029,291</u>	<u>1,278,451</u>
<b>Change in net position</b>	<b>(153,369)</b>	<b>(315,893)</b>
Net position at beginning of year	<u>12,009</u>	<u>327,902</u>
<b>Net position at end of year</b>	<b><u>\$ (141,360)</u></b>	<b><u>\$ 12,009</u></b>

As indicated above, net position decreased by \$12,009 to a deficit of \$141,360 in 2017 compared to a decrease of 96% in 2016. Ad valorem tax revenue decreased 2% while total expenses decreased 19%. Pension expense recognized in 2017 was \$87,886. However, \$115,574 was recognized in revenue for the amount paid into the pension plan by entities other than the Assessor. Other variances were due to normal fluctuations in activity.

The fund financial statements show a 4% decrease in fund balance in 2017 compared to a 22% decrease in 2016. The decrease in fund balance in 2017 was due to decreases in various revenues. In 2017 high costs in appraisal services caused the decrease.

BUDGETARY HIGHLIGHTS

The Assessor amends his budget when he determines there are differences between actual and anticipated revenues and/or expenditures. The Assessor's final amended budget was adopted near the end of the year. Budgeted revenues were decreased by \$1,000 to adjust various amounts. Budgeted expenditures were decreased by \$25,616 for various changes in estimates.

CAPITAL ASSETS

As of December 31, 2017, the Assessor's investment in capital assets totals \$414,547 (net of accumulated depreciation). This investment includes buildings, furniture, equipment, and two vehicles. There was an addition to furniture and equipment of \$4,005 but no deletions in 2017.

**UNION PARISH ASSESSOR  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

**DEBT**

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

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

There are no significant facts, decisions, or conditions that are expected to have a significant impact on the financial position or results of operations in 2018.

**CONTACTING THE ASSESSOR'S FINANCIAL MANAGEMENT**

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

## **BASIC FINANCIAL STATEMENTS**

**UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA**

**STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2017**

**ASSETS**

Cash and cash equivalents	\$ 201,358
Receivables, net of allowance for uncollectibles	645,422
Capital assets, net of accumulated depreciation	414,547
<b>TOTAL ASSETS</b>	<b><u>1,261,327</u></b>

**DEFERRED OUTFLOWS**

Pension related	<u>139,624</u>
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**LIABILITIES**

Accounts payable	26,251
Payroll and related liabilities	4,996
Noncurrent liabilities:	
Due within one year	20,000
Due in more than one year	158,000
Net OPEB obligation	1,068,128
Net pension liability	153,256
<b>TOTAL LIABILITIES</b>	<b><u>1,430,631</u></b>

**DEFERRED INFLOWS**

Pension related	<u>111,680</u>
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**NET POSITION**

Net investment in capital assets	236,547
Unrestricted net position	(377,907)
<b>TOTAL NET POSITION</b>	<b><u>\$ (141,360)</u></b>

*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, 2017**

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Expenses - general government:	
Personal services and related expenses	\$ 599,813
Operating services	126,228
Materials and supplies	14,425
Travel, training, and meetings	20,965
Depreciation	29,474
Debt service - interest	7,616
OPEB obligation	142,884
Pension expense	87,886
Total expenses - general government	<u>1,029,291</u>
Program revenues:	
Charges for services	4,749
Operating grants and contributions	115,574
Total program revenues	<u>120,323</u>
Net program expense	<u>908,968</u>
General revenues:	
Property taxes	750,590
Payments in lieu of taxes	4,049
Interest earned	960
Total general revenues	<u>755,599</u>
<b>Change in net position</b>	<u>(153,369)</u>
Net position at beginning of year	<u>12,009</u>
<b>Net position at end of year</b>	<u><u>\$ (141,360)</u></u>

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

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

GOVERNMENTAL FUND - GENERAL FUND  
BALANCE SHEET  
AS OF DECEMBER 31, 2017

**ASSETS**

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Assets:	
Cash and cash equivalents	\$ 201,358
Receivables, net of allowance for uncollectibles	645,422
<b>TOTAL ASSETS</b>	<b>\$ 846,780</b>

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

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Liabilities:	
Accounts payable	\$ 26,251
Payroll and related liabilities	4,996
Total liabilities	31,247
Deferred inflows:	
Unavailable ad valorem tax revenue	57,300
Fund balances:	
Unassigned	758,233
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b>\$ 846,780</b>

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

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2017

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

<b>Total fund balance</b>	<b>\$ 758,233</b>
Capital assets used in governmental activities are not financial resources and, therefore, are deferred in the fund statements.	<b>414,547</b>
Deferred inflows in the governmental fund balance sheet are recognized as revenue in the statement of activities and are not included in the statement of net position.	<b>57,300</b>
Deferred items related to net pension liability:	
Deferred outflows	<b>139,624</b>
Deferred inflows	<b>(111,680)</b>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund statements.	
Long-term debt	<b>(178,000)</b>
Net OPEB obligation	<b>(1,068,128)</b>
Net pension liability	<b>(153,256)</b>
<b>Net position of governmental activities</b>	<b><u>\$ (141,360)</u></b>

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

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

GOVERNMENTAL FUND - GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2017

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Revenues:	
Ad valorem taxes	\$ 747,935
Payments in lieu of taxes	4,049
Charges for services	4,749
Interest earned	960
Total revenues	<u>757,693</u>
Expenditures:	
Current - general government:	
Personal services and related expenses	599,812
Operating services	126,228
Materials and supplies	14,425
Travel, training, and meetings	20,965
Debt service - principal	20,000
Debt service - interest	7,616
Capital outlay	4,006
Total expenditures	<u>793,052</u>
<b>Net change in fund balance</b>	<b>(35,359)</b>
Fund balance at beginning of year	<u>793,592</u>
<b>Fund balance at end of year</b>	<b><u>\$ 758,233</u></b>

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

**UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT  
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE TO THE STATEMENT OF ACTIVITIES  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**Net change in fund balance** **\$ (35,359)**

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	<b>20,000</b>
OPEB expense	<b>(142,884)</b>
Pension expense	<b>(87,886)</b>

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	<b>(29,474)</b>
Capital asset additions	<b>4,005</b>

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)	<b>57,300</b>
Ad valorem tax revenues recognized in the fund financial statements this year but government-wide statements last year	<b>(54,645)</b>
Nonemployer contributions to pension plan	<b>115,574</b>

**Change in net assets of governmental activities** **\$ (153,369)**

*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, 2017

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

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

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

At December 31, 2017, 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, 2017

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Receivables and payables**

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

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

As provided by Louisiana Revised Statute 47:1925, the Assessor is authorized to levy an ad valorem tax in lieu of pro rata deductions from ad valorem taxing authorities. For the year ended December 31, 2017, 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:

<b>Taxpayer</b>	<b>Assessed Valuation</b>	<b>% of Total Assessed Valuation</b>	<b>Ad Valorem Tax Revenue</b>
Midcontinent Express Pipeline, LLC	\$ 19,469,080	10.40%	\$ 1,303,009
Gulf Crossing Pipeline Company	9,838,440	5.25%	665,825
Foster Poultry Farms	8,633,965	4.61%	552,125
Claiborne Electric Coop.	5,177,130	2.77%	355,540
Enable Gas Transmission, LLC	3,618,470	1.93%	243,120
Entergy Louisiana, Inc.	3,309,600	1.77%	226,570
Enervest Operating Company	2,998,825	1.60%	196,246
Trans-Union Interstate Pipeline	2,751,470	1.47%	196,052
Weyerhaeuser Company	1,902,037	1.02%	133,500
CenturyTel Service Group, LLC	1,976,511	1.06%	129,086
Totals	<u>\$ 59,675,528</u>	<u>31.88%</u>	<u>\$ 4,001,073</u>

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Budgets**

The Assessor uses the following budget practices:

The Assessor adopted an operating budget on a basis consistent with generally accepted accounting principles on his governmental fund for the year ended December 31, 2017, 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 2017 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 reappropriated 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, 2017

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Capital assets**

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

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

**Deferred inflows**

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

**Compensated absences**

All employees receive from ten to twenty days of noncumulative vacation leave each year, depending on length of service. Employees earn eighteen days of noncumulative sick leave each year. At December 31, 2017, 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.

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FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

*Reconciliation of Government-wide and Fund Financial Statements*

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

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates

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

NOTE 2 – CASH AND CASH EQUIVALENTS

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

At December 31, 2017, the Assessor has cash and cash equivalents (book balances) totaling \$201,358 as follows:

<b>Cash and cash equivalents:</b>	
Demand deposits	\$ 50,830
Time deposits	150,000
Other	528
<b>Total</b>	<b>\$ 201,358</b>

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

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of December 31, 2017, all of the Assessor's bank balances of \$230,844 were covered by federal deposit insurance and pledged securities as follows:

Insured by FDIC	\$ 230,844
Uninsured and uncollateralized	-
Collateralized by pledged securities not in the Assessor's name	-
Total balances exposed to custodial credit risk	-
<b>Total bank balances</b>	<b>\$ 230,844</b>

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 3 – RECEIVABLES

The following is a summary of receivables at December 31, 2017:

<b>Receivables:</b>	
Taxes and licenses	\$683,315
Less allowance for uncollectibles	<u>(37,893)</u>
<b>Net total receivables</b>	<b><u><u>\$645,422</u></u></b>

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

NOTE 4 – CAPITAL ASSETS

A schedule of changes in capital assets for the year ended December 31, 2017, follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
<b>Capital assets being depreciated:</b>				
Buildings	\$ 451,000	\$ -	\$ -	\$ 451,000
Furniture and equipment	131,985	4,005	-	135,990
Vehicles	<u>50,573</u>	<u>-</u>	<u>-</u>	<u>50,573</u>
Total capital assets				
being depreciated	<u>633,558</u>	<u>4,005</u>	<u>-</u>	<u>637,563</u>
<b>Less accumulated depreciation for:</b>				
Buildings	69,198	13,983	-	83,181
Furniture and equipment	81,390	8,958	-	90,348
Vehicles	<u>42,954</u>	<u>6,533</u>	<u>-</u>	<u>49,487</u>
Total accumulated depreciation	<u>193,542</u>	<u>29,474</u>	<u>-</u>	<u>223,016</u>
Total capital assets				
being depreciated	<u>440,016</u>	<u>(25,469)</u>	<u>-</u>	<u>414,547</u>
Governmental activities, capital assets, net	<u><u>\$ 440,016</u></u>	<u><u>\$ (25,469)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 414,547</u></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>\$ (75,831)</u>	<u>\$ 249,169</u>

UNION PARISH ASSESSOR  
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NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 5 – CAPITAL LEASE

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

The future minimum lease obligations and the net present value of the minimum lease payments as of December 31, 2017, are as follows:

<u>Year Ending Dec. 31</u>	
2018	\$ 27,016
2019	26,376
2020	26,676
2021	26,899
2022	27,041
2023-2025	<u>78,330</u>
Total minimum lease payments	212,338
Less amount representing interest	<u>(34,338)</u>
Present value of minimum lease payments	<u><u>\$ 178,000</u></u>

NOTE 6 – LONG-TERM DEBT

Long-term obligation transactions for the year ended December 31, 2017, was as follows:

	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
<b>Governmental activities:</b>					
Capital lease payable	<u>\$ 198,000</u>	<u>\$ (20,000)</u>	<u>\$ 178,000</u>	<u>\$ 20,000</u>	<u>\$ 158,000</u>

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

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

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

The Union Parish Assessor contributes to the Louisiana Assessors' Retirement Fund which is a cost-sharing, multiple-employer, defined benefit pension plan. Substantially, all employees participate in the Plan. The 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. 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.

The Fund also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended December 31, 2017, the Union Parish Assessor's total payroll for all employees was \$372,577. Total covered payroll was \$372,577. 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, 2017

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NOTE 7 – LOUISIANA ASSESSORS' RETIREMENT SYSTEM (CONTINUED)

*Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2017, the actual employer contribution rate was 10.00% for January through September and 8.00% for October through December, 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, 2017 were \$35,395.

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, 2017, the Assessor reported a liability of \$153,256 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of September 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The 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, 2017, the Assessor's proportion was 0.873400%, which was an increase of 0.021906% from its proportion measured as of September 30, 2016.

For the year ended December 31, 2017, the Union Parish Assessor recognized pension expense of \$115,927 plus the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$28,041). Total pension expense for the Union Parish Assessor for the year ended December 31, 2017 was \$87,886.

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

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

At December 31, 2017, 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	\$17,082	\$48,116
Changes in assumptions	95,853	-
Net difference between projected and actual earnings on pension plan	-	-
Changes in employer’s proportion of beginning net pension liability	19,753	4,266
Differences between employer and proportionate share of contributions	(515)	(7)
Subsequent measurement contributions	7,452	-
Total	\$139,624	\$111,680

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,	
2018	\$4,657
2019	4,657
2020	4,657
2021	4,657
2022	4,657
2023	4,657

**UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA**

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

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of September 30, 2017, are as follows:

Valuation Date	September 30, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation.
Inflation rate	2.50%
Salary increases	5.75%
Annuitant and beneficiary mortality	RP-2000 Healthy Annuitant Table set forward one year and projected to 2030 for males and females
Active members mortality	RP-2000 Employee Table set back four years for males and three years for females
Disabled lives mortality	RP-2000 Disabled Lives Mortality Tables set back five years for males and three years for females

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017, 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%

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

*Discount Rate*

The long-term expected rate of return selected for this report by the Fund was 6.75%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems’ Actuarial Committee. Based on these assumptions and the other assumptions and methods as specified in this report, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Thus, the discount rate used to measure the total pension liability was 6.75%.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2017 is 6 years.

*Sensitivity 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 6.75%, 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 (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Employer’s proportionate share of net pension liability	\$519,697	\$153,256	(\$160,880)

*Payables to the Pension Plan*

These financial statements include a payable to the pension plan of \$2,484, which is the legally required contribution due at December 31, 2017. This amount is recorded in accrued expenses.

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
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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 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

**Plan Description** – The Union Parish Assessor's Office's medical benefits are provided through a comprehensive medical plan 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: age 55 and 12 years of service.

Dental insurance coverage is provided to retirees. The employer pays 100% of the cost of the dental insurance for the retirees but not for dependents. We have used the unblended rates provided. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption; zero trend was used for dental insurance. The actuarial cost and values for dental insurance have been included with the results for medical insurance in this valuation.

Life insurance coverage is provided to retirees and the employer pays for 100% of the blended rate (active and retired). The amount of insurance coverage while active is continued after retirement, but retiree insurance coverage amounts are reduced to 50% of the original amount at age 70. The employer pays 100% of the "cost" of the retiree life insurance but it is based on the blended rate. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

**Contribution Rates** – Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

**Fund Policy** – Until 2009, Union Parish Assessor recognized the cost of providing post-employment medical and life insurance benefits (Union Parish Assessor's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, Union Parish Assessor's portion of health care and life insurance funding cost for retired employees totaled \$20,562 and \$25,466, respectively.

Effective January 1, 2009, Union Parish Assessor implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

**Annual Required Contribution** – Union Parish Assessor’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2017</u>	<u>2016</u>
Normal cost	\$ 97,455	\$ 97,455
30-year UAL amortization amount	80,096	80,096
Annual required contribution (ARC)	<u>\$ 177,551</u>	<u>\$ 177,551</u>

**Net Post-Employment Benefit Obligation (Asset)** – The table below shows Union Parish Assessor’s Net Other Post-Employment Benefit (OPEB) Obligation for fiscal years ending December 31:

	<u>2017</u>	<u>2016</u>
Beginning net OPEB obligation	\$ 925,244	\$ 791,061
Annual required contribution	177,551	177,551
Interest on Net OPEB obligation	31,642	31,642
ARC adjustment	<u>(45,747)</u>	<u>(45,747)</u>
OPEB cost	163,446	163,446
Contribution to irrevocable trust	-	-
Current year retiree premium	<u>(20,562)</u>	<u>(29,263)</u>
Change in net OPEB obligation	<u>142,884</u>	<u>134,183</u>
Ending net OPEB obligation	<u>\$ 1,068,128</u>	<u>\$ 925,244</u>

The following table shows Union Parish Assessor’s annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
December 31, 2017	\$ 163,446	12.58%	\$ 1,068,128
December 31, 2016	\$ 163,446	15.58%	\$ 929,042

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NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 8 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

**Funded Status and Funding Progress** – In 2017 and 2016, Union Parish Assessor made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2017 was \$1,440,417 which is defined as that portion, as determined by a particular actuarial cost method (Union Parish Assessor uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2017</u>	<u>2016</u>
Actuarial Accrued Liability	\$1,440,417	\$1,440,417
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$1,440,417</u>	<u>\$1,440,417</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 372,577	\$ 372,577
UAAL as a percentage of covered payroll	386.61%	386.61%

**Actuarial Methods and Assumptions** – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Union Parish Assessor and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Union Parish Assessor and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Union Parish Assessor and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

**Actuarial Cost Method** – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

UNION PARISH ASSESSOR  
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NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Value of Plan Assets** – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

**Turnover Rate** – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 2.5%.

**Post employment Benefit Plan Eligibility Requirements** – Based on past experience, it has been assumed that entitlement to benefits will commence four years after the earlier of the following: (1), completion of thirty (30) years of service at any age, and (2), attainment of age 55 and completion of twenty (20) years of service. Medical benefits are provided to employees upon actual retirement.

**Investment Return Assumption (Discount Rate)** – GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

**Health Care Cost Trend Rate** – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

**Mortality Rate** - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

**Method of Determining Value of Benefits** – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical, dental and life insurance for the retirees only and not for dependents. The rates provided applicable before and after age 65 are "blended" rates. Since GASB Codification Section P50 mandates that "unblended" rates be used, we have estimated the unblended rates for retired before Medicare eligibility to be 130% of the blended rate and 80% of the blended rate after Medicare eligibility.

**Inflation Rate** - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

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**NOTE 8 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Projected Salary Increases** - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

**Post-retirement Benefit Increases** - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

	OPEB Costs and Contributions		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
OPEB Cost	<u>\$ 137,346</u>	<u>\$ 163,446</u>	<u>\$ 163,446</u>
Contribution	-	-	-
Retiree premium	<u>25,059</u>	<u>25,466</u>	<u>20,562</u>
Total contribution and premium	<u>25,059</u>	<u>25,466</u>	<u>20,562</u>
Change in net OPEB obligation	<u>\$ 112,287</u>	<u>\$ 137,980</u>	<u>\$ 142,884</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	18.25%	15.58%	12.58%

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

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NOTE 9 – NEW ACCOUNTING STANDARDS

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

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

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

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

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NOTE 9 – NEW ACCOUNTING STANDARDS (CONTINUED)

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

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

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

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

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

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NOTE 9 – NEW ACCOUNTING STANDARDS (CONTINUED)

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

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

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

**UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

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**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

On May 23, 2013, the Assessor entered into contracts with a service company for software and appraisal services. The contract for software and support was amended extending the contract through 2018. The contract for appraisal was also amended extending the contract through 2020. Under the terms of the contract, the Assessor also pays the Company for appraisal services based on an hourly rate applied to actual hours worked. For 2017, expenses recorded under the contract were \$47,903.

There was no litigation pending at December 31, 2017.

**NOTE 11 – RISK MANAGEMENT**

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

**NOTE 12 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 27, 2018, the date on which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA

GOVERNMENTAL FUND - GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
Revenues:				
Ad valorem taxes	\$ 730,000	\$ 738,000	\$ 747,935	\$ 9,935
Payments in lieu of taxes	3,000	4,000	4,049	49
Charges for services	10,000	2,000	4,749	2,749
Interest earned	3,000	1,000	960	(40)
Total revenues	<u>746,000</u>	<u>745,000</u>	<u>757,693</u>	<u>12,693</u>
Expenditures:				
Current:				
General government:				
Personal services and related expenses	596,500	581,000	599,812	18,812
Operating services	125,000	121,000	126,228	5,228
Materials and supplies	14,000	12,000	14,425	2,425
Travel, training, and meetings	22,500	21,000	20,965	(35)
Debt service	27,616	28,000	27,616	(384)
Capital outlay	7,000	4,000	4,006	6
Total expenditures	<u>792,616</u>	<u>767,000</u>	<u>793,052</u>	<u>26,052</u>
<b>Net change in fund balances</b>	(46,616)	(22,000)	(35,359)	(13,359)
Fund balance at beginning of year	791,000	794,000	793,592	(408)
<b>Fund balance at end of year</b>	<u>\$ 744,384</u>	<u>\$ 772,000</u>	<u>\$ 758,233</u>	<u>\$ (13,767)</u>

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

UNION PARISH ASSESSOR  
 FARMERVILLE, LOUISIANA

EMPLOYEE HEALTH CARE PLAN  
 SCHEDULE OF FUNDING PROGRESS  
 AS OF DECEMBER 31, 2017

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, 2017**

<b>Description</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Employer's proportion of the net pension liability (asset)	0.873400%	0.851494%	0.867840%
Employer's proportionate share of the net pension liability (asset)	\$ 153,256	\$ 300,466	\$ 454,160
Employer's covered employee payroll	\$ 372,576	\$ 371,182	\$ 366,650
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	41.13%	80.95%	123.87%
Plan fiduciary net pension as a percentage of the total pension liability	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, 2017**

<b>Description</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 35,395	\$ 47,038	\$ 49,498
Contributions in relation to contractually required contribution	\$ 35,395	\$ 47,038	\$ 49,498
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered employee payroll	\$ 372,576	\$ 372,576	\$ 366,650
Contributions as a percentage of covered employee payroll	9.50%	12.63%	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, 2017**

<b>Description</b>	<b>Amount</b>
Salary per LRS 47:1907	\$ 130,479
Expense allowance per LRS 47:1907	14,498
Medicare	2,220
Benefits:	
Health and life insurance	10,207
Retirement	22,834
Deferred compensation	9,000
Conference registration fees	995
Dues:	
Louisiana Assessors' Association	3,595
Lodging	4,003
Reimbursement for cell phone	1,440
Travel advances	1,667
Personal use of vehicle	390
	<u>\$ 201,328</u>

## **OTHER REPORTS**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Louisiana Governmental the financial statements of the governmental activities and the General Fund of Union Parish Assessor, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements and have issued our report thereon dated June 27, 2018.

**Internal Control over Financial Reporting**

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

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

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

Union Parish Assessor  
Farmerville, Louisiana  
Independent Auditor's Report - GAGAS  
December 31, 2017

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

BOSCH & STATHAM, LLC



Ruston, Louisiana  
June 27, 2018

**UNION PARISH ASSESSOR  
FARMERVILLE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**A. SUMMARY OF AUDIT RESULTS**

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

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

No findings were reported.

**C. STATUS OF PRIOR YEAR FINDINGS**

**2016-001 Error in Recording Credits from the Retirement System**

This finding is cleared.

June 27, 2018

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

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period January 1, 2017 through December 31, 2017, 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; disbursements; credit/debit/fuel/purchasing cards; travel and 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, 2017 through December 31, 2017, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.

Yes  No

3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes  No

4. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes  No

5. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between December 31, 2017, and DATE.

Yes  No

6. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.

Yes  No

7. We represent that the listing of bank accounts provided to you is complete.

Yes  No

8. We represent that the listing of cash/check/money order (cash) collection locations provided to you is complete.

Yes  No

9. We represent that the listing of entity disbursements or the general ledger population of entity disbursements provided to you is complete.

Yes  No

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

Yes  No

11. We represent that the listing of all travel and related expense reimbursements, by person, during the fiscal period or the general ledger population of travel and related expense reimbursements provided to you is complete.

Yes  No

12. We represent that the listing of all contracts in effect during the fiscal period or the general ledger population of contract payments provided to you is complete.

Yes  No

13. We represent that the listing of employees (and elected officials, if applicable) with their related salaries provided to you is complete.

Yes  No

14. We represent that the listing of employees (and elected officials, if applicable) that terminated during the fiscal period provided to you is complete.

Yes  No

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

Yes  No

16. We have responded fully to all inquiries made by you during the engagement.

Yes  No

17. We are not aware of any events that have occurred subsequent to December 31, 2017, that would require adjustment to or modification of the results of the agreed-upon procedures.

Yes  No

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

Signature  Date June 27, 2018  
Title Assessor

Signature \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_



Independent Accountant's Report  
on Applying Agreed-Upon Procedures

To the Union Parish Assessor  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Union Parish Assessor (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

***Written Policies and Procedures***

---

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

*We obtained the Assessor's budgeting policy.*

*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.

*We obtained the Assessor's purchasing policy.*

*Exceptions: None*

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

*We obtained the Assessor's disbursements policy*

*Exceptions: None*

**UNION PARISH ASSESSOR**

2017 Report on Statewide Agreed-Upon Procedures

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- d) **Receipts**, including receiving, recording, and preparing deposits  
*We obtained the Assessor's receipts policy.*  
*Exceptions: None*
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.  
*We obtained the Assessor's payroll/personnel policy.*  
*Exceptions: The policy does not address how overtime is managed and processed.*  
*Management's Response: See Management's Corrective Action Plan*
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process  
*We obtained the Assessor's contracting policy.*  
*Exceptions: The policy does not address legal review.*  
*Management's Response: See Management's Corrective Action Plan*
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage  
*We obtained the Assessor's credit cards policy. The policy included the required elements.*  
*Exceptions: None*
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers  
*We obtained the Assessor's travel and expense policy. The policy included the required elements.*  
*Exceptions: None*
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.  
*We obtained the Assessor's ethics policy.*  
*Exceptions: None*

## UNION PARISH ASSESSOR

### 2017 Report on Statewide Agreed-Upon Procedures

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

*The Assessor did not submit a debt service policy to us.*

*Exceptions: No policy*

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

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

---

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

*Due to the nature of the Assessor's office, a managing board does not exist thus no meeting are held.*

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

*No meetings were held.*

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

*No meetings were held.*

#### **Bank Reconciliations**

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

*We obtained a listing and management's representation.*

*Exceptions: None*

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

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- a) Bank reconciliations have been prepared;

*We obtained bank statements and bank reconciliations for one of the two accounts sampled. The Assessor submitted three bank statements for the second selected account.*

*Exceptions: The second selected account was not reconciled for the entire fiscal period. However, the account is a savings account for which the bank balance typically equals the book balance.*

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

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

*The bank reconciliations did not include evidence that a member of management or a board member has reviewed each bank reconciliation.*

*Exceptions: See above.*

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

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

*The bank reconciliations did not include documentation reflecting that management had researched reconciling items that had been outstanding for more than 6 months as of the end of the fiscal period.*

*Exceptions: See above*

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

### Collections

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

*We received the listing and the representation.*

*Exceptions: None*

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

*The Assessor has only one collection location.*

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

*The Assessor has a receipts policy, insurance policies, and receipt books.*

*Exceptions: None*

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

*The entity has a receipts policy and receipt books. The Assessor or his chief deputy reconciles the receipt book to the deposit.*

*Exceptions: None*

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

*We selected the highest week of collections, the week of January 1<sup>st</sup> through the 7<sup>th</sup> of 2017.*

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

*There were two deposits during the selected week. One deposit was comprised of ad valorem tax collections from the Sheriff. The second deposit included thirteen receipts. Of the thirteen receipts: one was deposited nineteen days after receipt, two were deposited sixteen days after receipt, four were deposited fifteen, thirteen, eleven, and seven days after receipt, respectively. Two were deposited five days after receipt, and four were deposited two days after receipt.*

*Exceptions: See above.*

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

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

*We compared the selected deposits to support which included sequentially numbered receipts, deposit slips, and data from third parties.*

*Exceptions: None.*

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

*We obtained the receipts policy. The Assessor does not have a formal policy to determine completeness. The only regular collections are for ad valorem taxes. Collections for services are on an as needed basis.*

*Exceptions: We did not identify such a process.*

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

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

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

*We obtained a check register and management's representation.*

*Exceptions: None*

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

*We selected 25 disbursements from the check register.*

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

*Expenditures included in three disbursements required a purchase order.*

*Exceptions: None*

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

*One out of three purchase orders included a signature. The signature provided on the purchase order was the signature of the employee initiating the purchase.*

*Exceptions: See above.*

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

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

*See above regarding purchase orders. Out of twenty-five disbursements, six checks should have included documentation that goods were received. All disbursements were supported by invoices. However, five invoices were not signed by the Assessor as is the usual practice.*

*Exceptions: See above.*

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

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

*The Assessor and the Assessor's Financial Deputy can both process payments as well as add vendors to the entity's disbursements systems.*

*Exceptions: See above.*

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

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

*The Assessor has final authorization for purchase. The Assessor can also initiate purchases.*

*Exceptions: See above.*

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

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

*We inquired of the Assessor's Financial Deputy. She retains the supply of unused checks in a locked filing cabinet in her office. She has access to print checks from the accounting software. The Assessor and the Assessor's Financial Deputy are the only employees that have access to the unused checks.*

*Exceptions: See above.*

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

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

*The Assessor's office does not use a signature stamp or machine. The checks are signed by the Assessor by hand.*

*Exceptions: None*

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

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

*We obtained a listing of cards and management's representation that the listing is complete.*

*Exceptions: None*

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

*The Assessor has three cards. We selected one card for testing.*

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

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

*We noted the signatures of the Chief Deputy and Certified Deputy Assessor on the statements and supporting documentations.*

*Exceptions: None*

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

*The entity did not incur finance charges or late fees on the selected statements.*

*Exceptions: None*

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

- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)
  - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
  - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

*There were eight transactions on the card statement selected for testing. Out of the eight charges, two were not properly supported by an original itemized receipt. The purpose of the expense was not documented for any of the selected transactions. Purchase orders were not required for the card transactions.*

*Exceptions: See above.*

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

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

*We compared the details of the selected transactions to the policies and to the bid law.*

*Exceptions: None*

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

*Business purpose was not documented but we noted no indications of charges that would violate the constitution.*

*Exceptions: See above.*

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

### *Travel and Expense Reimbursement*

---

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

*We obtained a management's representation and a listing through the Assessor's accounting software. We sorted the transactions by payees and removed those who were not employees or officials.*

*Exceptions: None*

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

*We obtained the written policy. The policy states that an advanced check is provided prior to travel. The policy indicates that the advance is considered to be the maximum reimbursement. Further, the policy states that if there arises a case where the advance check cannot be written then receipts must be presented to receive reimbursement.*

*Exceptions: None*

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

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

*We selected the three persons, as required, and obtained the supporting documentation.*

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

*We compared the expense documentation to the written policy and GSA rates.*

*Exceptions: None*

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

*The entity's policy is to reimburse daily per diem amounts. The policy does not require receipts. The business purpose is documented when the advance is requested.*

*Exceptions: None.*

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

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

*We compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value.*

*Exceptions: None*

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

*See above. We inspected requests for advance and noted that a person other than the person receiving the advance approved the requests.*

*Exceptions: None*

**Contracts**

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

*We obtained a listing of all contracts and management's representation that the listing is complete.*

*Exceptions: None*

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

*We filtered the data in the check register for the five contract vendors that were paid the most during the fiscal period.*

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

*Management did not submit complete contracts for two of the five contracts selected for testing. Some of the services had been ongoing.*

*Exceptions: See above.*

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

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

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

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

*None of the contracts selected for testing appeared to be subject to the Louisiana Public Bid Law.*

*It does not appear that the entity solicited quotes for the contracts that were not subject to the bid law.*

*Exceptions: Management did not obtain quotes for those contracts not subject to the bid law.*

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

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

*We noted three contracts that each had one amendment. The amendments were \$72,920, \$12,500, and \$0, respectively. One amendment added IT support to a software license. Another amendment replaced the standard contract with the "premier contract". A third amendment changed the text of the agreement to more clearly demonstrate compliance with certain state laws. We noted no indications that the original contract terms contemplated or provided for such amendments.*

*Exceptions: None*

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

*We selected the largest payment for each of the selected contracts and requested invoices.*

*Exceptions: None.*

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

*The entity is governed by a single elected official.*

*Exceptions: None.*

*Payroll and Personnel*

---

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

*We obtained the listing and management's representation that the listing is complete. We selected five employees/officials and obtained their personnel files.*

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

*We reviewed compensation paid during the period.*

*Exceptions: None*

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

*We obtained detail of the employees' compensation for the fiscal year and compared to documentation of authorization. There were no changes in compensation for those sampled.*

*Exceptions: None*

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

*We selected the sample as required. The entity has less than 25 employees/officials.*

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

*Per the Deputy Assessor, attendance records are not maintained; however, employee leave is documented.*

*Exceptions: See above.*

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

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

*The supervisor approval of attendance and leave was not documented.*

*Exceptions: See above.*

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

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

*We inspected leave records for the three employees in our sample that used leave during the selected pay period.*

*Exceptions: None*

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

*We obtained a representation from management that asserted no employees were terminated during the fiscal period.*

*Exceptions: None*

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

*We obtained IRS Forms 941, Louisiana forms L-1, and retirement contribution reports for the Louisiana Assessors' Retirement Fund. We reviewed available documentation of file dates and pay dates.*

*Exceptions: It appears as if two of the four quarterly 941 forms were filed after the due date. The documentation of filing dates for all of the monthly retirement contribution reports were signed; however, they were not dated. Therefore, we were unable determine whether the documents were filed timely.*

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

### *Ethics (excluding nonprofits)*

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

*We obtained the ethics compliance documentation from management showing all the employees selected did attend the required ethics training.*

*Exceptions: None.*

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

*We inquired of the Assessor. We noted no such violations reported.*

*Exceptions: None*

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

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

*We noted no indications that debt was issued during the fiscal period.*

*Exceptions: None.*

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

*The entity did not have outstanding debt during the fiscal period.*

*Exceptions: None.*

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

*We noted no such millages.*

#### ***Other***

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

*We inquired of the Assessor. We did not identify any misappropriations.*

*Exceptions: None*

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

*We observed the required notice in a common area in the Assessor's office building as well as on their website following a "fight fraud" link on the homepage.*

*Exceptions: None*

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

*All exceptions are noted above.*

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

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

BOSCH & STATHAM, LLC

*Bosch & Statham*

Ruston, Louisiana

June 27, 2018

**Lance Futch, CLA**  
**Union Parish Assessor**  
101 North Main Street  
Farmerville, LA 71241-2843  
(318) 368-3232

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

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

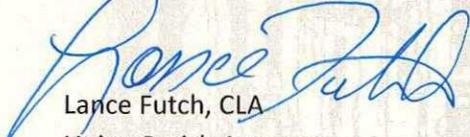
June 27, 2018

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

RE: Statewide Agreed Upon Procedures

The Union Parish Assessor will consider Bosch & Statham's comments on the statewide agreed upon procedures and take action where 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