JEFFERSON DAVIS PARISH ASSESSOR
Jennings, Louisiana
Annual Financial Statements
As of and for the Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Donald G. Kratzer
Jefferson Davis Parish Assessor
Jennings, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and the major fund information of the Jefferson Davis Parish Assessor (Assessor), a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund information of the Assessor, as of December 31, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison and pension related information as listed in the table of contents, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Assessor's financial statements as a whole. The accompanying other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* I have also issued my report dated May 23, 2019 on my consideration of Assessor's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the 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 Assessor's internal control over financial reporting and compliance.

Mike B. Gillespie, CPA, APAC
Jennings, Louisiana
May 23, 2019

BASIC FINANCIAL STATEMENTS

JEFFERSON DAVIS PARISH ASSESSOR
Governmental Funds Balance Sheet / Statement of Net Position (Deficit)
December 31, 2018 **Statement A**

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	$ 34,816		34,816
Investments	-		-
Due from other governments:			
Ad valorem taxes	492,998		492,998
State revenue sharing	6,667		6,667
Other	-		-
Capital assets, net of accumulated			-
depreciation		15,301	15,301
Total Assets	534,481	15,301	549,782
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows-pension	-	256,088	256,088
Total Deferred Outflows of Resources	-	256,088	256,088
LIABILITIES			
Liabilities:			
Accounts payable	8,112	-	8,112
Long-term obligations:			
Net pension liability	-	168,731	168,731
Total Liabilities	8,112	168,731	176,843
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenues	492,998		492,998
Deferred state revenue sharing revenues	6,667		6,667
Deferred inflows-pension	-	164,282	164,282
Total Deferred Inflows of Resources	499,665	164,282	663,947
FUND BALANCE / NET POSITION			
Unassigned	26,704	(26,704)	-
Total Fund Balances	26,704	(26,704)	-
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	$ 534,481		
NET POSITION			
Investment in capital assets		15,301	15,301
Unrestricted		(50,221)	(50,221)
Total Net Position (Deficit)		$ (34,920)	(34,920)

See accompanying notes and accountant's report.

JEFFERSON DAVIS PARISH ASSESSOR
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances / Statement of Activities
For the Year Ended December 31, 2018 **Statement B**

	General Fund	Adjustments	Statement of Activities
EXPENDITURES/ EXPENSES			
General governmental-taxation:			
Personal services and related benefits	$ 617,510	13,333	630,843
Operating services	45,282	-	45,282
Materials and supplies	1,541	-	1,541
Travel and other charges	1,054	-	1,054
Capital Outlay	797	(797)	-
Depreciation expense	-	11,224	11,224
Total Expenditures / Expenses	666,184	23,760	689,944
PROGRAM REVENUES			
Fees, fines and other charges for service	3,384	-	3,384
Net Program Expenses	662,800	23,760	686,560
GENERAL REVENUES			
Ad valorem taxes	559,063	-	559,063
Intergovernmental revenues:			
Compensation from taxing bodies	14,956	-	14,956
State revenue sharing	10,000	-	10,000
Parish contribution to retirement system	67,032	50,197	117,229
Interest earned	562	-	562
Total General Revenues	651,613	50,197	701,810
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(11,187)	11,187	-
CHANGE IN NET POSITION	-	15,250	15,250
FUND BALANCE / NET POSITION (DEFICIT):			
Beginning of the Year, as previously reported	37,891	(88,061)	(50,170)
End of the Year	$ 26,704	(61,624)	(34,920)

See accompanying notes and accountant's report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

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

The assessor's office is located in the Jefferson Davis Parish Courthouse in Jennings, Louisiana. The assessor employs five employees, including four deputies. In accordance with Louisiana law, the assessor bases real and movable property assessments on conditions existing on January 1st of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

At December 31, 2018, there are 35,886 real property, and movable property, and public service property assessments totaling $88,731,126 and $61,597,497 and $71,143,310 total value, respectively. This represents an increase of assessments totaling $4,813,902 from the prior year, caused primarily by the reassessment of properties throughout the parish.

1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Jefferson Davis Parish Assessor have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. 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.

B. REPORTING ENTITY

The assessor is an independently elected official; however, the assessor is fiscally dependent on the Jefferson Davis Parish Police Jury. The police jury maintains and operates the parish courthouse in which the assessor's office is located and provides funds for equipment and furniture of the assessor's office. In addition, the police jury's general purpose financial statements would be incomplete or misleading without inclusion of the assessor. For these reasons, the assessor was determined to be a component unit of the Jefferson Davis Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the assessor and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that compromise the financial reporting entity.

C. FUND ACCOUNTING

The assessor uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain tax assessment functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all of the assessor's general activities. These funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the assessor. The following are the assessor's governmental funds:

> **General Fund** – the primary operating fund of the assessor and it accounts for all financial resources except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the assessor's policy.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statement (FFS)

The amounts reflected in the General Fund of Statements A and B are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the assessor's operations.

The amounts reflected in the General Fund of Statements A and B use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The assessor considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practiced in recording revenues and expenditures:

Revenues
Governmental fund revenues resulting from exchange transactions are recognized in the year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or is expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the Assessor considers revenues to be available if they are collected within 60 days of the end of the current year. Ad valorem taxes and the related state revenue sharing are recognized as revenue in the period for which being levied to finance the budget, unless collected before year end, thus the 2017 assessed property taxes, net of collections in current year, which are being levied to finance the 2018 budget will be recognized as revenue in 2018. The 2017 tax levy, net of collections in current year, has been recorded as deferred revenue in the 2017 financial statements. Substantially all other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures
Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Assessor as a whole. These statements include all the financial activities of the Assessor. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting form exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GAS Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions.*

Program Revenues – Program revenues included in the column labeled Statements of Activities (Statement B) are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the assessor's general revenues.

Reconciliation

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and Statement of Net Position (Statement A) are as follows:

Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities:

Total Ending Fund Balance – Governmental Fund		$ 26,704
Amounts reported for government activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds as follows:		
Cost of capital assets	$ 152,277	
Accumulated depreciation	(136,976)	15,301
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds. Long-term liabilities consist of:		
Net pension liability		(168,731)
Deferred outflow and inflow of resources associated with pension and retirement are not current financial resources or uses and therefore are not reported in the governmental funds.		
Deferred outflow amounts on pension		256,088
Deferred inflow amounts on pension		(164,282)
Net Position (Deficit)		$ (34,920)

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities:

Total Net Change in Fund Balance – Governmental Funds	$	(11,187)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period:		
Depreciation expense		(11,224)
In the statement of activities pension expense is based on proportionate share computations based on changes in total net pension liability. In the governmental funds, however, expenditures for pension are measured by amount of financial resources used (essentially, the employer contribution amounts paid).		37,661
Change in Net Position of Governmental Activities	$	15,250

E. DEPOSITS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the assessor may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

State statutes authorize the Jefferson Davis Parish Assessor to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, Local Governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. In accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Jefferson Davis Parish Assessor has stated their investments at cost. Investments with a maturity at time of purchase of greater than one year are presented at fair value. Fair value is determined by obtaining "quoted" year end market prices. The Jefferson Davis Parish Assessor had no investments with an original maturity greater than one year at time of purchase and thus no amounts at fair value are listed in the balance sheet.

F. CAPITAL ASSETS

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Government-wide Financial Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are capitalized at historical cost or estimated historical cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Assessor maintains a threshold level of $500 or more for capitalizing capital assets. Additions, improvement and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful life by type of assets is as follows:

Description	Estimated Lives
Motor vehicle	7
Telephone system	10
Office equipment and furniture	5

No interest costs were incurred during the year therefore no interest was charged to expense and no interest was capitalized.

In the fund financial statements, fixed assets used in governmental fund operations are accounting for as capital outlay expenditures of the governmental fund upon acquisition.

G. COMPENSATED ABSENCES

The Assessor has the following policy relating to vacation and sick leave:

Full time employees accrue two weeks of vacation leave per year. After twenty years of service employees accrue three weeks of vacation. After twenty-five years of service, employees accrue four weeks of vacation. Vacation leave must be used in the year it is accrued, unless approval is obtained prior to the end of the year to carry over unused leave. Employees are not paid for unused vacation leave. At December 31, 2018, employees of the assessor had accumulated no employee leave benefits.

Employees are allowed sick leave when ill. While sick leave is not limited, the assessor reserves the right to substantiate the illness or require the employee to substantiate the illness. Employees are not allowed to accumulate sick leave.

H. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Assessor has various deferred amounts associated with pension and retirement reported in the government-wide statement of net position that qualify for reporting in this category. See pension/ retirement footnote for further details regarding the deferred amounts associated with pension. No deferred outflows of resources affect the governmental funds financial statements in the current year.

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Assessor has several of items that qualify for reporting in this category. One is deferred property tax revenues and state revenue sharing revenues assessed in 2018, but levied to finance the Assessor's 2019 expenditures. The Assessor will not recognize the related revenues until 2019 and they are reported in both the statement of net position and the balance sheet. Other items that qualify for reporting in this category are related to pension amounts. See the pension/ retirement footnote for further details of these items.

I. FUND EQUITY

Fund Financial Statements

Governmental funds can report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form- prepaid items or inventories; or (b) legally or contractually required to be maintained intact. The spendable portion of the fund balance can be comprised of the remaining four classifications: restricted, committed, assigned, and unassigned defined as follows:

Restricted fund balance- This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance- These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the organization's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance- This classification reflects the amounts constrained by the organization's "intent" to be used for specific purposes, but are neither restricted nor committed. The Assessor has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance- This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Flow Assumptions - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Assessor's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Assessor's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

Government-wide Financial Statements

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Equity on the government-wide financial statements is classified as net position and displayed in three categories:

Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by the balances of deferred outflows of resources related to those assets.

Restricted net position – Net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Assessor's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – Consists of all other net position that does not meet the definition of the above two components and is available for general use by the Assessor.

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

J. ESTIMATES

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

K. Pension/Retirement

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana Assessor's Retirement Fund and Subsidiary (LARFS), and additions to/deductions from LARFS' fiduciary net position have been determined on the same basis as they are reported by LARFS. The pension plan's fiduciary net position was determined using the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions, for which the employer allocations are based, are recognized in the period in which the employee is compensated for services performed. Investments are reported at fair value.

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage
Assessment District	2.51	2.51

Property taxes are assessed for the calendar year, become due on November 15th of each year, and become delinquent on December 31st. The taxes generally collected in December of the current year and January and February of the ensuing year. As indicated in Note 1, taxes levied November 2018 and the related state revenue sharing are for budgeted expenditures in 2019 and will be recognized as revenue in 2019.

Taxes receivable at December 31, 2018, were $492,998 net of allowance for uncollectible taxes of $6,949.

3. DEPOSITS AND INVESTMENTS

Bank Deposits:

The year end balances of deposits are as follows:

Deposit Type	Bank Balances	Reported Amount
Cash –demand deposits	$ 34,816	$ 34,816
Totals	$ 34,816	$ 34,816

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

Custodial credit risk is the risk that in the event of a bank failure, the Assessor's deposits may not be returned to it. The Assessor's deposit policy for custodial credit risk requires that all uninsured deposits must be secured with acceptable collateral as defined in LRS 39:1221 valued at market. As of December 31, 2018, the Assessor had deposits (collected bank balances) totaling $34,816. As of yearend all deposits were either insured by FDIC coverage or collateralized by securities held by the pledging financial institution's agent in the name of the Assessor.

4. CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance Beginning	Additions	Dispositions	Balance Ending
Office equipment & furniture	$ 151,480	797		152,277
Less: accumulated depreciation	(125,752)	(11,224)		(136,976)
Capital assets, net	$ 25,728	(10,427)	-	15,301

5. PENSION PLAN

General Information about the Pension Plan

The employer pension schedules for the Louisiana Assessor's Retirement Fund and Subsidiary (LARFS) are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan, and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description and Eligibility Requirements

The LARFS is a cost sharing, multiple-employer, qualified governmental defined benefit pension plan covering assessors and their deputies employed by any parish of the State of Louisiana, under the provisions of Louisiana Revised Statues 11:1401 through 1494. The plan is a qualified plan as defined by the Internal Revenue Code Section 401(a), effective January 1, 1998. Membership in the Louisiana Assessors' Retirement Fund is a condition of employment for Assessors and their full-time employees.

Benefits Provided

A. Regular Plan

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

Employees who became members prior to October l, 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 benefit based on the highest 60 months of consecutive service. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

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

Employees may elect a reduced benefit or any of four options at retirement:

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

B. <u>Death Benefits</u>

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

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

C. <u>Disability Benefits</u>

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

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

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

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

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

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

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

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

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

1. Creditable service shall not include service credit reciprocally recognized pursuant to R.S. 11:142.
2. Accrued service at retirement shall be reduced by the Back-DROP.
3. Final average compensation shall be calculated by excluding all earnings during the Back-DROP period.
4. Contributions received by the Fund during the Back-DROP period and any interest that has accrued on employer and employee contributions received during the period shall remain with the Fund and shall not be refunded to the employee or to the employer.

5. The member's Back-DROP monthly benefit shall be calculated based upon the member's age and service and the Fund provisions in effect on the last day of creditable service before the Back-DROP period.
6. At retirement, the member's maximum monthly retirement benefit payable as a life annuity shall be equal to the Back-DROP monthly benefit.
7. The member may elect to receive a reduced monthly benefit in accordance with the options provided in R.S. 11:1423 based upon the member's age and the age of the member's beneficiary as of the actual effective date of retirement. No change in the option selected or beneficiary shall be permitted after the option is filed with the Board of Trustees.

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

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

Excess Benefit Plan

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

Contributions / Funding

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

Administrative costs of the Fund are financed through employer contributions. According to state statute, contributions for all employers are actuarially determined each year. The actuarially-determined employer contribution rate was 5.24% for the year ended September 30,2018. The actual employer contribution rate was 8.00% of members' earnings for the year ended December 31, 2018. The Assessor's contributions to the system for the year ended December 31, 2018 totaled $29,742.

The Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state, except for Orleans Parish which is one percent, as well as a state revenue sharing appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial

Committee. The Assessor recognized $117,229 of non-employer contributions for the year ended December 31, 2018.

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

At December 31, 2018, the Assessor reported a liability of $168,731 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of September 30, 2018 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2018, the Agency's proportion was 0.867941%, which was a decrease of 0.003500% from its proportion measured as of September 30, 2017.

For the year ended December 31, 2018, the Agency recognized pension expense of $110,107 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, $125.

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

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 12,732	$ 77,251
Changes of assumptions	216,518	-
Net difference between projected and actual earnings on pension plan investments	-	85,907
Changes in proportion and difference between Employer contributions and proportionate share of contributions	20,050	1,126
Employer contribution subsequent to the measurement date	6,788	-
Total	$ 256,088	$ 164,284

The $6,788 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2019	45,628
2020	(7,139)
2021	2,919
2022	23,071
2023	20,537
Thereafter	-

Deferred outflow/inflow resource amounts, except for net difference between projected and actual earnings on pension plan investments, are being recognized in employer's pension expense/(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Deferred amounts related to net difference between projected and actual earnings on pension plan investments is being recognized in pension expense/(benefit) using the straight-line method amortization method over a closed five-year period.

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

Valuation Date	September 30, 2018
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Expected Remaining Service Lives	6 years
Investment rate of return	6.25%, net of pension plan investment expense, including inflation.
Projected salary increases	5.75%
Inflation rate	2.20%
Active member mortality	RP 2000 Employee Table set back four years for males and 3 years for females
Annuitant and beneficiary mortality	RP 2000 Healthy Annuitant Table set forward one year and projected to 2030 for males and females.
Disabled Lives Mortality	RP-2000 Disabled Lives Mortality Tables set back five years for males and three years for females.

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

Asset Class		Long-Term Expected Real Rate of Return
Domestic Equity		7.5%
International Equity		8.5%
Domestic Bonds		2.5%
International Bonds		3.5%
Real Estate		4.5%
Alternative Assets		6.24%

The long-term expected rate of return selected for this report by the Fund was 6.25%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions and the other assumptions and methods as specified in this report, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Thus, the discount rate used to measure the total pension liability was 6.25%.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2018 is 6 years.

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

The following presents the net pension liability of the Fund calculated using the discount rate of 6.25%, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.25%) or one percentage point higher (7.25%) than the current discount rate (assuming all other assumptions remain unchanged):

	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Net Pension Liability (Asset)	$ 547,321	$ 168,731	$ (166,759)

Pension Plan Fiduciary Net Position

The Louisiana Assessors' Retirement Fund and Subsidiary has issued a stand-alone audit report on their financial statements for the year ended September 30, 2018. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov, or by contacting the Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

Payables to the Pension Plan

As of December 31, 2018, the Assessor owed $0 in legally required contributions to LARFS.

6. EXPENDITURES NOT INCLUDED IN THE FINANCIAL STATEMENTS

Certain operating expenditures of the assessor’s office are paid by the parish police jury and are not included in the accompanying financial statements. These expenditures are summarized as follows:

> The assessor’s office is located in the Jefferson Davis Parish Courthouse. The Jefferson Davis Police Jury pays for the upkeep and maintenance of the parish courthouse. These expenditures are not reflected in the accompanying financial statements.

7. LITIGATION AND CLAIMS

As of the date of this report, the assessor is not involved in any litigation and is not aware of any pending claims that could have a material impact on these financial statements.

8. RISK MANAGEMENT

The Assessor is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Assessor carries commercial insurance for workers compensation liability. All other covered risks of loss are managed by commercial insurance provided by the Police Jury. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

9. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had actual expenditures over budgeted appropriations for the year ended December 31, 2018:

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
General	$617,700	$585,800	$592,077	$6,277

10. LONG-TERM DEBT AND OBLIGATIONS

The Assessor did not have any long-term obligations as December 31, 2018, except for the net pension liability as described in Note 5.

12. ON-BEHALF PAYMENTS FOR FRINGE ENEFITS AND SALARIES

Retirement plan payments in the amount of $67,032 were made by the Sheriff, acting in his capacity as Ex Officio Tax Collector, to The Louisiana Assessor's Retirement Fund on behalf of the Assessor. These remittances represent a portion of the ad valorem taxes and state revenue sharing collections which are statutorily set aside for payment to The Louisiana Assessor's Retirement Fund on behalf of the Assessor. These on-behalf payments have been recorded in the accompanying financial statements, in accordance with GASB Statement 24. *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* as revenues and expenditures in the General Fund.

REQUIRED SUPPLEMENTAL INFORMATION

JEFFERSON DAVIS PARISH ASSESSOR
GOVERNMENTAL FUND - GENERAL FUND **Schedule 1**
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts (Budgetary Basis) (See Note A)	Variance Final Budget Positive (Negative)
REVENUES				
Fees, fines and other charges for service	$ 1,500	3,300	$ 3,383	$ 83
Ad valorem taxes	590,800	561,500	559,063	(2,437)
State revenue sharing	10,000	10,000	10,000	-
Compensation from taxing bodies	15,000	15,000	14,956	(44)
Interest earned	500	575	562	(13)
Total Revenues	617,800	590,375	587,964	(2,411)
EXPENDITURES				
Culture and recreation:				
Salaries and related benefits	582,000	542,000	547,761	(5,761)
Operating services	31,900	40,400	40,926	(526)
Materials and supplies	2,500	1,600	1,540	60
Travel and other charges	1,300	1,000	995	5
Debt service	-	-	58	(58)
Capital outlay	-	800	797	3
Total Expenditures	617,700	585,800	592,077	(6,277)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	100	4,575	(4,113)	(8,688)
FUND BALANCES BEGINNING OF YEAR	38,929	38,929	38,929	-
FUND BALANCES END OF YEAR	$ 39,029	$ 43,504	$ 34,816	$ (8,688)

See accompanying note to budgetary comparison schedule.

JEFFERSON DAVIS PARISH ASSESSOR
Notes to Budgetary Comparison Schedule
For the Year Ended December 31, 2018

A. BUDGETARY PRACTICES

General Budget Practices The Jefferson Davis Parish Assessor follows the following procedures in establishing budgetary data reported in the accompanying budgetary comparison schedule:

Pursuant to the Louisiana Government Budget Act (LSA-RS 39:1301-1314), the Jefferson Davis Parish Assessor is required to adopt an annual budget no later than fifteen days prior to the beginning of each fiscal year.

Each year prior to December 15th, the Jefferson Davis Parish Assessor develops a proposed annual budget for the general fund. The budget includes proposed expenditures and the means of financing them. The proposed budget is advertised as available for public inspection at least 10 days prior to final adoption simultaneously with a notice of the date of public hearing. The public hearing is conducted during an open meeting in order to obtain public input. The budget is subsequently adopted by the Assessor through a formal budget resolution.

General fund appropriations (unexpended budget balances) lapse at end of fiscal year.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the object level. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments. All budget revisions are approved by the Assessor.

Budget Basis of Accounting The governmental fund budgets are prepared on the cash basis of accounting. Legally, the Assessor cannot budget total expenditures and other financing uses which would exceed total budgeted revenues and other financing sources including beginning fund balance. State statutes require the Assessor to amend the budget to prevent overall projected revenues, expenditures, or beginning fund balance from causing an adverse budget variance of five percent or more in an individual fund. The Assessor approves budgets at the object level and management is allowed to transfer amounts between line items within an object.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL MAJOR FUNDS

The following budgeted major funds had actual expenditures over budgeted expenditures for the fiscal year:

Fund	Final Budget	Actual	Unfavorable Variance
General	$ 585,800	$ 592,077	$ 6,277

Reason for unfavorable variance: Not applicable

C. BUDGET BASIS TO ACTUAL GAAP RECONCILIATION

The following reconciles the amount shown as excess of receipts over disbursements on the non-GAAP budget basis **(page 27)**, with the amount shown on the GAAP basis **(page 5)**:

Excess (Deficiency) of revenues and other sources over Expenditures and other uses (Non-GAAP Budgetary Basis) – **page 27**	$	(4,113)
Add:		
Current-year receivables		499,665
Prior-year payables and deferred revenues		494,284
Less:		
Prior-year receivables		(493,246)
Current-year payables and deferred revenues		(507,777)
Excess (Deficiency) of revenues and other sources over expenditures and other uses (GAAP Basis) – **page 5**	$	(11,187)

The reconciliation of amounts reported on **page 27** as fund balance at end of year to amounts reported as fund balance on **page 4** is as follows:

Fund balance at end of year (Non-GAAP Budgetary Basis) – **page 27**	$	34,816
Revenue accruals		-
Expenditure accruals		(8,112)
Fund balance (GAAP Basis) – **page 4**	$	26,704

Schedule 2

JEFFERSON DAVIS PARISH ASSESSOR
Required Supplementary Information
Additional Pension/ Retirement Information
Schedule of Employer's Proportionate Share of Net Pension Liability
For the Year Ended December 31, 2018*

Louisiana Assessors Retirement Fund:

Year Ending September 31st	Employer's proportion of net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered-employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	0.867941%	$168,731	$382,576	44.10%	95.46%
2017	0.871441%	152,913	382,576	39.97%	95.61%
2016	0.860801%	303,750	374,773	81.05%	90.68%
2015	0.751949%	393,512	315,960	124.54%	85.57%

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

*The amounts presented have a measurement date of September 30^{th}..

Schedule 3

JEFFERSON DAVIS PARISH ASSESSOR
Required Supplementary Information
Additional Pension/ Retirement Information
Schedule of Employer Contributions
For the Year Ended December 31, 2018

Louisiana Assessors Retirement Fund:

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2018	$ 29,742	$ 29,742	$ -	$ 371,776	8.00%
2017	36,345	36,345	-	382,576	9.50%
2016	47,895	47,895	-	379,576	12.62%
2015	44,522	44,522	-	329,791	13.50%

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

Schedule 4

JEFFERSON DAVIS PARISH ASSESSOR
Required Supplementary Information
Additional Pension/ Retirement Information
Notes to Required Supplementary Information
For the Year Ended December 31, 2018

Louisiana Assessors Retirement Fund:

Changes of Benefit Terms. None.

Changes of Assumptions. There were no changes of benefit assumptions for the year ended December 31, 2018.

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OTHER SUPPLEMENTAL INFORMATION

JEFFERSON DAVIS PARISH ASSESSOR **Schedule 5**

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer

For the Year Ended December 31, 2018

Agency Head Name: Donald Kratzer

Salary	$	144,976
Benefits- insurance		-
Benefits- retirement		-
Benefits- Medicare		-
Dues		-
Travel		-
Registration fees		-
Training and Education		-
Auto Allowance		21,746
	$	166,722

OTHER REPORTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS*

To the Honorable Donald G. Kratzer
Jefferson Davis Parish Assessor
Jennings, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund information of the Jefferson Davis Parish Assessor (Assessor), a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements, and have issued my report thereon dated May 23, 2019.

Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that I consider to be a material weakness. This material weakness is listed as finding 2014-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Assessor's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Jefferson Davis Parish Assessor's Response to Findings

The Assessor's response to the findings identified in my audit is described in the accompanying schedule of current year findings and responses. The Assessor's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Assessor's internal control or on compliance. The report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Assessor's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Mike B. Gillespie, CPA, APAC
Jennings, Louisiana
May 23, 2019

MANAGEMENTS SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2018

SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2014-1 Internal Control

Criteria: An important element in the design of an internal accounting control system that safeguards assets and reasonably insures the reliability of the accounting records is the concept of segregation of duties. A good system of internal control provides for a proper segregation of the accounting functions. No one person should be assigned duties that would allow that person to commit an error or perpetrate fraud and to conceal the error or fraud. As an example, the same person should not be responsible for any two of the following functions: (1) authorization of a transaction, (2) recording of the transaction, or (3) custody of assets involved in the transaction.

Condition: There is a general overall lack of segregation of duties within the Assessor's office.

Cause of Condition: Due to the small number of employees involved in the accounting functions, the Assessor's office did not have adequate segregation of functions within the accounting system.

Potential Effect of Condition: The lack of adequate segregation of duties increases the risk that errors or fraud could occur and not be discovered in a timely manner.

Recommendation: If possible, management should adopt procedures in the office to mitigate lack of segregation of duties. Where possible, duties should be segregated to reduce the risk of errors or fraud.

Management's Response: Due to the small size of our office it is not practical nor cost effective to correct this weakness.

Current Status: Due to the small size of our office it is not practical or cost effective to correct this weakness. As a result, this condition remains unresolved for reason as of the current year end.

2017-1 State Budget Law Compliance

Criteria/ Specific Requirement: Procedures should be in place to insure compliance with the Louisiana Local Government Budget Act (R.S. 39:1301-15).

Condition: Potential noncompliance with the Louisiana Local Government Budget Act (R.S. 39:1301-15) regarding public participation requirements.

Cause of Condition: R.S. 1306 B requires that the budget shall be completed and made available for public inspection as provided in R.S. 1308 no later than fifteen days prior to the beginning of each fiscal year. The budget ad was published on December 21, 2016 notifying the public that a public budget hearing would be held on December 30, 2016. As a result, the completed budget was not officially made available to the public for inspection fifteen days prior to the beginning of the fiscal year.

MANAGEMENTS SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2018

Potential Effect of Condition: Potential noncompliance with the Local Government Budget Act (R.S. 39:1301-15).

Recommendation: Management should adopt procedures to insure compliance with the Local Government Budget Act (R.S. 39:1301-15). A notice should be published in the local newspaper at least ten days prior to the date of the first public budget hearing. The completed proposed budget should be made available for public inspection no later than fifteen days prior to the beginning of the fiscal year.

Management Response: Management agrees with the finding and will implement recommendation for the adoption of the fiscal year end December 31, 2019 budget.

Current Status: This condition is considered resolved.

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings reported.

SECTION III – MANAGEMENT LETTER

No findings reported.

* * * * *

THIS SCHEDULE HAS BEEN PREPARED BY MANAGEMENT

SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
For the Year Ended December 31, 2018

SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL STATEMENTS

2014-1 Internal Control

Criteria: An important element in the design of an internal accounting control system that safeguards assets and reasonably insures the reliability of the accounting records is the concept of segregation of duties. A good system of internal control provides for a proper segregation of the accounting functions. No one person should be assigned duties that would allow that person to commit an error or perpetrate fraud and to conceal the error or fraud. As an example, the same person should not be responsible for any two of the following functions: (1) authorization of a transaction, (2) recording of the transaction, or (3) custody of assets involved in the transaction.

Condition: There is a general overall lack of segregation of duties within the Assessor's office. This condition existed in the prior year.

Cause of Condition: Due to the small number of employees involved in the accounting functions, the Assessor's office did not have adequate segregation of functions within the accounting system.

Potential Effect of Condition: The lack of adequate segregation of duties increases the risk that errors or fraud could occur and not be discovered in a timely manner.

Recommendation: If possible, management should adopt procedures in the office to mitigate lack of segregation of duties. Where possible, duties should be segregated to reduce the risk of errors or fraud.

Management's Response: Due to the small size of our office it is not practical or cost effective to correct this weakness. As a result, this condition remains unresolved for reason as of the current year end.

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings reported.

SECTION III – MANAGEMENT LETTER

No findings reported.

JEFFERSON DAVIS PARISH ASSESSOR
Jennings, Louisiana

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
For the Year Ended December 31, 2018

SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL STATEMENTS

2014-1 Internal Control

Condition: There is a general overall lack of segregation of duties within the Assessor's office. This condition existed in the prior year.

Recommendation: If possible, management should adopt procedures in the office to mitigate lack of segregation of duties. Where possible, duties should be segregated to reduce the risk of errors or fraud.

Current Status: Due to the small size of our office it is not practical or cost effective to correct this weakness. As a result, this condition remains unresolved for reason as of the current year end.

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings reported.

SECTION III – MANAGEMENT LETTER

No findings reported.

* * * * *

THIS SCHEDULE HAS BEEN PREPARED BY MANAGEMENT

Mike B. Gillespie
Certified Public Accountant
A Professional Accounting Corporation

Mike B. Gillespie, CPA, CGMA
________◆________
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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCRECEDURES

To the Honorable Donald G. Kratzer,
Jefferson Davis Parish Assessor
and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

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

   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.

   Finding: Written policies and procedures were obtained but they did not address function (2) noted above.

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

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

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

Finding: No written policies and procedures were available that address the functions noted above.

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

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

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

Finding: Not applicable.

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

Finding: Not applicable.

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

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

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

Finding: Written policies and procedures were obtained that address the functions noted above except for item 4..

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

Finding: Not applicable.

Board or Finance Committee: This Section is Not Applicable

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

Finding: Not applicable. Entity does not have an appointed or elected board.

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

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

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

Bank Reconciliations

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

   Finding: Obtained listing of client's bank accounts from management and management's representation that listing is complete. Management has identified the entity's single bank account as the main operating account.

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

      Finding: The bank reconciliation include evidence by electronically logged date and time showing they were prepared within two months of the statement closing date. However, they do not include the initials of the preparer.

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

      Finding: The bank reconciliation does not include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

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

      Finding: Not applicable.

Collections

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

   Finding: Obtained listing of the deposit sites and management's representation that the listing is complete. The Assessor's Office located at 300 N. State Street, Suite 103, Jennings, LA 70546 is the only deposit site for the entity.

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

Finding: Obtained listing of collection locations and management's representation that the listing is complete. Collections are received by front desk walk-ins and by mail sent to the Assessor's Office located at 300 N. State Street, Suite 103, Jennings, LA 70546. We were unable to obtain written policies and procedures relating to employee job duties at collection location. Inquired with Assessor about employee job duties at collection location and observed whether those job duties were properly segregated at collection location for the following functions listed below.

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

   Finding: No exceptions noted.

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

   Finding: No segregation of duties. The Assessor is the only employee in the office responsible for opening collections received by mail. He is also the only employee responsible for preparing/making bank deposits and reconciling collection documentation to the deposit.

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

   Finding: No segregation of duties. The Assessor is the only employee in the office responsible for opening collections received by mail. He is also the only employee responsible for posting collections entries to the general ledger and reconciling ledger postings to each other and to the deposit.

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

   Finding: No segregation of duties. The Assessor is the only employee in the office responsible for opening collections received by mail. He is also the only employee in the office responsible for reconciling cash collections to the general ledger by revenue source and verifying the reconciliation.

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

   Finding: All employees at the Assessor's Office have access to cash. The Assessor is the only employee in the office that is covered by a bond.

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

   Finding: We randomly selected two deposit dates from the bank account selected for procedure #3 under "Bank Reconciliations" above. We obtained supporting documentation for each of the 2 deposits and observed for the following procedures listed below.

   a) Observe that receipts are sequentially pre-numbered.

      Finding: No exceptions noted.

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

Finding: No exceptions noted.

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

Finding: No exceptions noted.

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

Finding: We observed that one of the two deposits selected from the bank account was not made within one business day of receipt at the collection location. The total deposit of $5,635 was comprised of thirteen individual collection receipts. Eleven out of the thirteen collections were not made within one business day of receipt at the collection location. The combined total of the eleven collections was $670. The two remaining collections received were deposited in bank on the same day of receipt at the collection location. The combined total of the two remaining collections was $4,965.

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

Finding: No exceptions noted.

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

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

   Finding: Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. The entity has one location that processes payments.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

   Finding: The Assessor is the only employee in the office that is involved with non-payroll purchasing and payment functions. Per inquiry with the Assessor, the office does not have a properly segregated purchasing and payment system due to the size of the entity and lack of staff.

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

   Finding: The Assessor's office does not have a purchasing system implemented with job duties properly segregated due to the size of the entity and lack of staff. The Assessor is the sole employee of the office that approves and initiates all purchases.

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

   Finding: There are no segregation of duties for the functions listed above. The Assessor is the sole employee of the office that performs the listed functions.

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

Finding: There are no segregation of duties for the functions listed above. The Assessor is the sole employee of the office that performs the listed functions.

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

Finding: There are no segregation of duties for the functions listed above. The Assessor is the sole employee of the office that performs the listed functions.

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

Finding: A listing of the entity's non-payroll disbursement transaction population (excluding credit cards and travel reimbursements) and management's representation that the population is complete was obtained. We randomly selected five disbursements from this population, obtained supporting documentation for each transaction, and performed the procedures listed below.

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

Finding: No exceptions noted.

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

Finding: Not applicable. Due to the Assessor's office having no segregation of duties for any of the functions listed under #9.

Credit Cards/Debit Cards/Fuel Cards/P-Cards: This Section is Not Applicable

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

Finding: Not applicable. Entity does not have a credit card.

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

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

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

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain

supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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

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

    Finding: A listing of all travel and travel-related expense reimbursements during the fiscal period from the general ledger and management's representation that the general ledger is complete was obtained. We randomly selected five reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation, as well as the other supporting documentation, and performed the procedures listed below.

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

       Finding: No exceptions noted.

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

       Finding: Not applicable.

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

       Finding: No exceptions noted.

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

       Finding: No exceptions noted.

Contracts: This Section is Not Applicable

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

    Finding: Not applicable. Obtained management's representation that the entity has no contracts.

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

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

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

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

Payroll and Personnel

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

    Finding: A listing of all employees during the fiscal period and management's representation that the listing is complete was obtained. We selected all five of the office employees, obtained related paid salaries, and employee personnel files. We are unable find authorized salaries/pay rates documentation in any of the employee personnel files to agree to the paid salaries.

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

    Finding: We randomly selected one pay period during the fiscal period. We obtained the attendance records and leave documentation for the pay period for all the office employees selected and performed the procedures listed below.

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

       Finding: No exceptions noted.

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

       Finding: No exceptions noted.

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

       Finding: No exceptions noted.

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

    Finding: Not applicable.

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

Finding: I observed all employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms were filed. It appears that the client's September 30, 2018 form 941 deposit due on 9/19/18 was submitted 13 days late on 10/2/18. Although the IRS usually charges a penalty for late, insufficient, or incorrect deposits (Internal Revenue Code Section 6656), the penalty letter stated that the IRS decided to waive the penalty for this period based upon previous prompt history of filing and paying.

Ethics

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

    Finding: Obtained all ethics documentation on selected employees from management.

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

       Finding: No exceptions noted.

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

       Finding: No exceptions noted.

Debt Service This Section is Not Applicable

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

    Finding: Not applicable. Obtained management's representation that the entity had no bonds/notes issued during the fiscal period.

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

    Finding: Not applicable. Obtained management's representation that the entity had no bonds/notes outstanding at the end of the fiscal period.

Other

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

    Finding: Management has asserted that the entity did not have any misappropriations of public funds or assets.

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

    Finding: No exceptions noted.

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

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on 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.

Mike B. Gillespie, CPA, APAC
Mike B. Gillespie, CPA, APAC
Jennings, Louisiana
May 23, 2019