LOUISIANA ASSESSORS' INSURANCE FUND

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2025 and 2024

WITH

INDEPENDENT AUDITOR'S REPORTS

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INDEPENDENT AUDITOR'S REPORT

To Ms. Kathy Bertrand, Executive Director, and
the Insurance Committee of Louisiana Assessors' Insurance Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Louisiana Assessors' Insurance Fund, which comprise the statement of net position as of December 31, 2025, and the related statements of revenues, expenses, and change in net position and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the 2025 financial statements referred to above present fairly, in all material respects, the respective financial position of Louisiana Assessors' Insurance Fund as of December 31, 2025, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Louisiana Assessors' Insurance Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements as of December 31, 2024, were audited by Hawthorn, Waymouth & Carroll, L.L.P., who merged with HoganTaylor LLP as of January 1, 2026, and whose report dated June 12, 2025, expressed an unmodified opinion on those financial statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Louisiana Assessors' Insurance Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Louisiana Assessors' Insurance Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Louisiana Assessors' Insurance Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Louisiana Assessors' Insurance Fund's basic financial statements. The accompanying schedules of per diem payments and schedule of compensation, benefits, and other payments to agency head or chief executive officer are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedules of per diem payments and schedule of compensation, benefits, and other payments to agency head or chief executive officer are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with GAS, we have also issued our report dated June 29, 2026, on our consideration of the Louisiana Assessors' Insurance Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Louisiana Assessors' Insurance Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with GAS in considering the Louisiana Assessors' Insurance Fund's internal control over financial reporting and compliance.

Hogan Taylor LLP

Baton Rouge, Louisiana
June 29, 2026

LOUISIANA ASSESSORS' INSURANCE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2025 and 2024

The following is management's discussion and analysis of Louisiana Assessors' Insurance Fund (the Plan) for the years ended December 31, 2025 and 2024, which highlights relevant aspects of the basic financial statements and provides an analytical overview of the Plan's financial activities.

Financial Highlights

Assets decreased by approximately $703,000 or 8.9%, from 2024 to 2025.

The Plan's net position decreased approximately $1,129,000 in 2025, compared to a decrease in net position of approximately $1,307,000 in 2024 and an increase in net position of approximately $1,101,000 in 2023.

The amount of 2025 premiums earned increased approximately $1,373,000 and claims expenses increased approximately $918,000 from the 2024 amounts. The amount of 2024 premiums earned increased approximately $753,000 and claims expenses increased approximately $2,483,000 from the 2023 amounts.

Overview of the Financial Statements

Management's Discussion and Analysis is intended to serve as an introduction to the Plan's basic financial statements, together with the related notes to the financial statements, required supplementary information, and the supporting schedules, all of which are described as follows.

Statements of Net Position – These statements report the Plan's assets, liabilities, and net position as of December 31, 2025 and 2024. The difference between the total assets and liabilities is represented as net position and is an indicator of the surplus generated by the Fund for all years of operation. The change in net position can be a useful measure of whether the financial position of the Plan is improving or deteriorating.

Statements of Revenues, Expenses, and Change in Net Position – These statements report the Plan's revenues, expenses, and change in net position for the years ended December 31, 2025 and 2024. These statements show the revenues generated along with the associated expenses. The difference in revenues and expenses is presented as the change in net position from one year to another.

Statements of Cash Flows – These statements report the net increase or decrease in cash for the years ended December 31, 2025 and 2024.

Notes to the Financial Statements – The financial statement notes provide additional information that is essential to a complete understanding of the data set forth in the financial statements. They are considered an integral part of the financial statements. A description of the information provided in the notes is as follows:

> Note 1 (Plan Description) provides a general description of the Plan. Information is included regarding the insurance committee, plan membership, and a description of the basic insurance benefits.
>
> Note 2 (Summary of Significant Accounting Policies) provides information about the accounting methods and policies used in determining amounts shown on the financial statements. Information relative to the basis of accounting, the determination of estimates, cash and cash equivalents, receivables and related revenue, unpaid claims liability, net position, income taxes, reclassifications, and subsequent events.

Note 3 (Deposits) provides information on cash and related custodial credit risk.

Note 4 (Claims Expense and Unpaid Claims Reserve) describes changes in the aggregate unpaid claims liability from December 31, 2024 to December 31, 2025.

Note 5 (Excess Insurance Policy Coverage and Other Premiums) outlines the excess insurance policy guidelines and limitations and provides details on other premium collected and remitted throughout the year.

Note 6 (Administrative and Other Operating Expenses) details the administrative expenses incurred throughout the year.

Note 7 (Related Party Transactions) provides descriptions of transactions between the Plan and its related parties, Louisiana Assessors' Association and Louisiana Assessors' Retirement Fund.

Louisiana Assessors' Insurance Fund's Financial Analysis

The Plan is a cost sharing, multiple-employer, insurance plan covering assessors and their employees employed by any parish of the state of Louisiana, under the provisions of Louisiana Revised Statute 47:1922, effective August 30, 1988. The Plan is a qualified plan as defined by the Internal Revenue Code, effective January 1, 1998. Insurance benefits are funded through premium income.

Condensed Statements of Net Position

The following table is prepared from the Plan's statements of net position and summarizes the assets, liabilities, and net position as of December 31. Comparative data for preceding years is provided.

	2025	2024	2023	2025 Percentage Change
Total assets	$ 7,146,806	$ 7,849,322	$ 8,974,711	-9.0%
Total liabilities	(1,637,648)	(1,210,970)	(1,029,771)	35.2%
Net position	$ 5,509,158	$ 6,638,352	$ 7,944,940	-17.0%

Assets consist of cash, rebates receivable, excess insurance receivable, and other receivables. As of December 31, 2025, total assets decreased by 8.9% compared to the prior year, primarily due to a reduction in cash resulting from increased claim payments. Liabilities include accounts payable and unpaid claims. Total liabilities as of December 31, 2025 increased by 35.2% from the prior year, driven by a higher level of claims payable at year-end.

Similarly, total assets as of December 31, 2024 declined by 12.5% from December 31, 2023, also due to decreased cash associated with higher claim payments. Total liabilities as of December 31, 2024 increased by 17.6% compared to December 31, 2023, reflecting an increase in claims payable.

Condensed Statements of Revenues, Expenses, and Change in Net Position

The statements of revenues, expenses, and change in net position present the Plan's results of operations for the year and the effect on net position. The following table is prepared from the Plan's statements of revenues, expenses, and change in net position for the years ended December 31. Comparative data for preceding years is provided.

	2025	2024	2023	2025 Percentage Change
Revenues:				
Premiums earned	$ 18,332,874	$ 16,960,254	$ 16,207,335	
Interest	260,679	390,476	395,204	
Administrative fees	278,712	222,513	222,462	
Total revenues	18,872,265	17,573,243	16,825,001	7.4%
Expenses:				
Claims expenses and insurance premiums	19,297,889	18,226,687	15,073,621	
Administrative and other operating expenses	703,570	653,144	649,984	
Total expenses	20,001,459	18,879,831	15,723,605	5.9%
Change in net position	$ (1,129,194)	$ (1,306,588)	$ 1,101,396	

Total revenue for 2025 increased 7.4% compared to prior year, primarily reflecting a 7.5% board-approved increase in medical and dental premium rates. Total expenses for 2025 rose 5.9% from the prior year, driven by higher claims expenses resulting from increased healthcare costs and claim volume.

Total revenue for 2024 increased 4.4% compared to the prior year, attributable to growth in membership and higher fully insured premiums, particularly for life and accidental death and dismemberment (AD&D) coverage. Total expenses for 2024 increased 20.1% compared to the prior year, primarily due to higher claims expenses. This increase was driven by rising healthcare costs, an expanded participant base, and a higher stop-loss threshold, which reduced recoveries under the Plan's stop-loss policy.

Requests for Information

This annual financial report is designed to provide a general overview of the Plan's finances for interested parties. Questions concerning any of the information provided herein or requests for additional financial information should be addressed to Louisiana Assessors' Insurance Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

LOUISIANA ASSESSORS' INSURANCE FUND

STATEMENTS OF NET POSITION

December 31, 2025 and 2024

	2025	2024
Assets		
Cash	$ 5,723,639	$ 6,671,567
Rebates receivable	1,224,379	1,088,087
Excess insurance receivable	152,757	59,578
Other receivables	46,031	30,090
Total assets	7,146,806	7,849,322
Liabilities		
Accounts payable	3,143	1,321
Unpaid claims liability	1,634,505	1,209,649
Total liabilities	1,637,648	1,210,970
Net position	$ 5,509,158	$ 6,638,352

LOUISIANA ASSESSORS' INSURANCE FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

Years ended December 31, 2025 and 2024

	2025	2024
Revenues		
Premiums earned	$ 18,332,874	$ 16,960,254
Interest income	260,679	390,476
Administrative fees	278,712	222,513
Total revenues	18,872,265	17,573,243
Expenses		
Claims expense	16,354,767	15,437,167
Excess insurance and other premiums	2,943,122	2,789,520
Administrative and other operating expenses	703,570	653,144
Total expenses	20,001,459	18,879,831
Change in net position	(1,129,194)	(1,306,588)
Net Position		
Beginning of year	6,638,352	7,944,940
End of year	$ 5,509,158	$ 6,638,352

See notes to financial statements.

LOUISIANA ASSESSORS' INSURANCE FUND

STATEMENTS OF CASH FLOWS

Years ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Receipts from premiums collected	$ 18,318,755	$ 16,967,966
Payments made for premiums	(2,943,122)	(2,789,520)
Receipts from administrative fees collected	278,712	222,513
Receipts from other income	318,786	390,410
Payments made for claims, net excess insurance and rebates	(16,217,489)	(15,789,735)
Payments made for administrative expenses	(703,570)	(653,144)
Net cash used in operating activities	(947,928)	(1,651,510)
Net decrease in cash	(947,928)	(1,651,510)
Cash, beginning of year	6,671,567	8,323,077
Cash, end of year	$ 5,723,639	$ 6,671,567
Reconciliation of Operating Income to Net Cash Used in Operating Activities:		
Change in net position	$ (1,129,194)	$ (1,306,588)
Adjustments to reconcile change in net position to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Rebates receivable	(136,292)	(535,732)
Excess insurance receivable	(93,179)	(66)
Other receivables	(15,941)	9,677
Accounts payable	1,822	(1,965)
Unpaid claims liability	424,856	183,164
Net cash used in operating activities	$ (947,928)	$ (1,651,510)

LOUISIANA ASSESSORS' INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 1 – Plan Description

The following description of Louisiana Assessors' Insurance Fund (the Plan), a public entity risk pool, provides only general information. Participants should refer to the Plan agreement for a complete description of the Plan's provisions.

The Plan provides health and other benefits covering all assessors and assessors' employees throughout the state of Louisiana. Participation is voluntary and participants may withdraw by giving proper notice. The Plan's general objective is to formulate, develop, and administer, on behalf of the participating members, a program of inter-local risk management to obtain lower cost for insurance coverage. Contributions required by the Plan are determined by the Insurance Committee of Louisiana Assessors' Association (the Association). The Plan and related trust were established on August 30, 1988, pursuant to Louisiana Revised Statute 47:1922.

The Plan provides health benefits (medical, hospital, surgical, major medical, and dental), life insurance coverage, long-term disability benefits, vision, and death benefits to participants and to their beneficiaries and covered dependents. All members of the Plan hired on or before September 30, 2013, shall be eligible for participation in the benefits of the Plan upon written application for such allowance to the Insurance Committee if (1) the member has 12 years or more of creditable service and has attained the age of 55, or (2) the member has 30 or more years of creditable service, regardless of age. All members of the Plan hired on or after October 1, 2013, shall be eligible for participation in the benefits of the Plan upon written application for such allowance to the Insurance Committee if (1) the member has 12 or more years of creditable service and has attained the age of 60, or (2) the member has 30 or more years of creditable service and has attained the age of 55.

Health and dental claims of active and retired participants, dependents, and beneficiaries are processed by The HealthPlan, the third-party claims administrator, but the responsibility for payments to participants and providers is retained by the Plan. Group life insurance, accidental death and dismemberment insurance, and vision insurance are provided by Guardian Life Insurance Company. Disability coverage and supplemental life insurance are provided by Metropolitan Life Insurance Company.

The Association provides bookkeeping support, as well as other administrative functions, for the Plan.

The Plan is affiliated through common membership and management control with the Association and Louisiana Assessors' Retirement Fund (the Retirement Fund). Although these entities are related parties, their various net positions are available only to the individual entity for its operations. For this reason, each entity is presented as a separate "stand alone" entity in accordance with Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*.

The Plan's Insurance Committee, as Administrator, has the right under the Plan to modify the benefits provided to active and retired employees. The Plan may be terminated at any time.

Total membership in the Plan at December 31 is as follows:

	2025	2024
Retirees and dependents receiving health care benefits	394	421
Active plan members	630	630
Total membership	1,024	1,051

Note 2 – Summary of Significant Accounting Policies

Basis of accounting

The financial statements of the Plan have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units and promulgated by the GASB *Codification of Governmental Accounting and Financial Reporting Standards*.

The Plan is considered an enterprise fund and, accordingly, uses the accrual method of accounting and the flow of economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. The Plan applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 in accounting for its operations unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

Since the business of the Plan is essentially that of an insurance company, having a business cycle greater than one year, the statements of net position are not presented in a classified format.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires the Plan Administrator to make estimates and assumptions that affect certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results may differ from those estimates. Significant estimates made by management which might affect these financial statements include, but are not limited to, unpaid claims.

Unpaid claims liability is established by management based on a review of claims payment history and anticipated future claims. The evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available, and it is reasonably possible that a change in this estimate will occur in the near term.

Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with original maturities of three months or less which are not under investment management for long-term purposes. At December 31, 2025 and 2024, the Plan had no cash equivalents.

Plan receivables

Rebates receivable

The Plan participates in a pharmacy benefit program that provides prescription drug coverage to eligible members. Under this program, the Plan is entitled to receive manufacturer rebates based on the volume and type of prescription drugs dispensed to its members. These rebates are negotiated and administered by the Plan's pharmacy benefit manager (PBM). Rebates receivable represent amounts due from pharmaceutical manufacturers and/or the PBM for prescription drug claims incurred prior to the financial statement date. The receivable is estimated based on contractual terms, historical rebate collections, claims data, and information provided by the PBM. Management believes the estimate to be reasonable and collectible; however, actual results may differ due to timing and adjustments by the PBM or manufacturers.

Rebate revenue is recognized in the period in which the related prescription drug claims are incurred, as this is when the Plan becomes entitled to the rebate under the terms of the agreement. Rebates are recorded as a reduction of claims expense in the statements of revenues, expenses, and change in net position.

Excess insurance receivable

The Plan uses excess insurance to reduce its exposure to large losses on insured events. Further description of the excess insurance coverage is provided in Note 5. Excess insurance permits recovery of a portion of losses from excess insurers, although it does not discharge the primary liability of the Plan as direct insurer of the risk reinsured. The Plan does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by excess insurers. Claims expenses consist of claims incurred during the current year, adjustments to the accounting estimate of prior years' claims expense, and a reduction for claims covered by the excess insurer in accordance with the excess insurance policy.

Excess insurance receivable represents an amount due from the excess carrier for claims incurred and paid by the Plan that exceed the agreed upon threshold. These receivables are recorded when the underlying claims are paid, and it is probable that recovery from the excess insurer will occur and can be reasonably estimated. The Plan evaluates the collectibility of these receivables based on contractual provisions, historical recovery experience, and the financial condition of the excess insurer. Any adjustments to previously recorded excess insurance receivables are recognized in the period in which new information becomes available.

Other receivables

The Plan receives quarterly subsidies from the U.S. Department of Health and Human Services (HHS) for a portion of the prescription drug costs incurred on behalf of Medicare-eligible retirees. Subsidy income is recorded with premiums earned and recognized when it is probable that the subsidy will be received and the amount can be reasonably estimated, which typically occurs in the period in which the related eligible prescription drug claims are incurred. Receivables related to the retiree drug subsidy are recorded as other receivables in the statements of net position.

Premiums are recognized as income over the term of the policies as they become earned. Any adjustments to annual premiums are considered to be a change in estimate and are recognized in the year they become known. Acquisition costs associated with new and renewal contracts are immaterial to the financial statements and are expensed when incurred. Premiums receivable are recorded as other receivables in the statements of net position and represent amounts due from participating employers, members, and retirees for insurance coverage provided under the Plan. Premiums are typically billed in advance of the coverage period and are recorded as receivables when due, in accordance with the terms of the related contracts.

The Plan considers all receivables to be fully collectible; accordingly, no allowance for credit losses has been established. If accounts become uncollectible, they will be charged to operations when that determination is made. Collections on accounts previously written off are included in other income as received.

Unpaid claims liability

The Plan establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported.

The methodology for developing self-insurance reserves is based on management estimates. The estimation process considers, among other matters, the cost of known claims over time, inflation, and incurred but not reported claims. These estimates may change based on, among other things, changes in claims history or receipt of additional information relevant to assessing the claims. Further, these estimates may prove to be inaccurate due to factors such as adverse judicial determinations or other claims settlements at higher or lower than estimated amounts.

Adjustments to claims liabilities are charged or credited to expenses in the period in which they are made. The carrying amount of liabilities for claims losses and claims expenses is presented at the estimated claim amounts in the financial statements.

Net position

The Plan has implemented GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Standard provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of the Plan's net position that is applicable to a future reporting period. Deferred inflows represent the acquisition of net position that is applicable to a future reporting period. As of December 31, 2025 and 2024, the Plan had no deferred outflows or inflows.

Income taxes

The Plan is exempt from federal income taxes under Section 501(c)(9) of the Internal Revenue Code.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the current year's presentation. These reclassifications had no effect on net position or the change in net position of the prior year.

Current year adoption of new accounting standard

The Plan adopted GASB Statement No. 102, *Certain Risk Disclosures*. This Statement establishes disclosure requirements for risks related to vulnerabilities due to certain concentrations or constraints that may limit a government's ability to acquire resources or control spending. The requirements of the Statement are effective for reporting periods beginning after June 15, 2024. At this time, the adoption of this standard has no impact on the Plan's financial statements.

Subsequent events

Management of the Plan evaluated events through June 29, 2026, the date the financial statements were available to be issued.

Note 3 – Deposits

At December 31, 2025, the carrying amount of the Plan's deposit accounts was $5,723,639 and the bank balance was $5,727,884, of which $250,000 was protected from custodial credit risk by federal depository insurance. The remainder of the deposit balance was collateralized by a letter of credit issued by the Federal Home Loan Bank.

Note 4 – Claims Expense and Unpaid Claims Reserve

The following represents changes in the aggregate unpaid claims liabilities for the Plan for the years ended December 31, 2025 and 2024:

	2025	2024
Unpaid claims and loss adjustment expenses at beginning of fiscal year	$ 1,209,649	$ 1,026,485
Incurred losses and loss adjustment expenses:		
Provision for insured events of current fiscal year	15,375,457	15,283,429
Increases in provision for insured events of prior fiscal years	979,310	153,738
Total incurred losses and loss adjustment expenses	16,354,767	15,437,167
Payments:		
Losses and loss adjustment expenses attributable to insured events of current fiscal year	13,740,952	14,073,780
Losses and loss adjustment expenses attributable to insured events of prior fiscal years	2,188,959	1,180,223
Total payments	15,929,911	15,254,003
Unpaid claims and loss adjustment expenses at end of fiscal year	$ 1,634,505	$ 1,209,649

Note 5 – Excess Insurance Policy Coverage and Other Premiums

The Plan obtained excess insurance from a commercial insurer for specific stop loss coverage that will pay after $275,000 per individual claim with no aggregate amount.

Excess insurance contracts do not relieve the Plan from its obligations to members. Failure of excess insurers to honor their obligations could result in losses to the Plan. Accordingly, the Plan evaluates the financial condition of its excess insurers to minimize its exposure to significant losses from excess insurer insolvency.

The following premiums were collected and remitted to insurance companies for the years ended December 31, 2025 and 2024:

	2025	2024
Excess insurance	$ 1,088,682	$ 969,452
Life and accidental death and dismemberment	1,640,740	1,602,946
Long-term disability	118,180	122,043
Supplemental life	9,480	11,520
Vision	86,040	83,559
Total other premiums	$ 2,943,122	$ 2,789,520

Note 6 – Administrative and Other Operating Expenses

The following administrative and other operating expenses were incurred during the years ended December 31, 2025 and 2024:

	2025	2024
Administrative fees	$ 187,200	$ 156,000
Building rent	26,500	-
Claims administrator	451,551	444,764
Copier reimbursement	1,578	1,578
Office expenses and supplies	-	15,762
Other operating expenses	8,552	7,959
Per diem	6,525	4,575
Professional fees	19,448	20,586
Travel	2,216	1,920
Total administrative and other operating expenses	$ 703,570	$ 653,144

Note 7 – Related Party Transactions

The Plan is related to the Association and the Retirement Fund through common membership and management. The Plan reimburses the Association for office space, utilities and other shared costs. For the years ended December 31, 2025 and 2024, the reimbursements, which were included in administrative expenses, were comprised of the following:

	2025	2024
Administrative fees	$ 187,200	$ 156,000
Copier reimbursement	1,578	1,578
Total	$ 188,778	$ 157,578

During the year ended December 31, 2025, the Plan paid $26,500 in rent expense to the Retirement Fund for use of its building. There is no formal lease agreement; therefore, the lease is considered short-term as it is on a month-to-month basis.

SUPPLEMENTARY INFORMATION

LOUISIANA ASSESSORS' INSURANCE FUND

SCHEDULES OF PER DIEM PAYMENTS

Years ended December 31, 2025 and 2024

	2025		2024	
	Number of Days	Amount Paid	Number of Days	Amount Paid
Lucien Gauff III	6	$ 450	3	$ 225
Stephanie Smith	6	450	4	300
James Stevenson	7	525	-	-
Wayne Blanchard	2	150	-	-
Thomas Capella	3	225	3	225
Denise Edwards	7	525	-	-
Morgan Herring	5	375	5	375
Rickey Huval	5	375	5	375
Richard Kendrick	6	450	5	375
Keith Maxwell	7	525	3	225
Gabe Marceaux	-	-	4	300
Billy McBride	5	375	3	225
Heath Pastor	6	450	5	375
Lawrence Patin	6	450	5	375
Bob Robinson	-	-	3	225
James Petitjean	7	525	4	300
Randy Sexton	2	150	3	225
Shelia Walker	-	-	1	75
Blake Phillips	7	525	5	375
	87	$ 6,525	61	$ 4,575

LOUISIANA ASSESSORS' INSURANCE FUND

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Year ended December 31, 2025

Agency Head: Lucien J. Gauff III, President

Purpose	Amount
Salary	$ -
Benefits - insurance	-
Benefits - retirement	-
Car allowance	-
Vehicle provided	-
Per diem	450
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

To Ms. Kathy Bertrand, Executive Director,
and the Insurance Committee of
Louisiana Assessors' Insurance Fund

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS) issued by the Comptroller General of the United States, the financial statements of Louisiana Assessors' Insurance Fund, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Louisiana Assessors' Insurance Fund's basic financial statements, and have issued our report thereon dated June 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Assessors' Insurance Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Assessors' Insurance Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Louisiana Assessors' Insurance Fund's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Hogan Taylor LLP

Baton Rouge, Louisiana
June 29, 2026

LOUISIANA ASSESSORS' INSURANCE FUND

SCHEDULE OF FINDINGS AND RESPONSES

Year ended December 31, 2025

Part I – Summary of Audit Results

1) An unmodified opinion has been expressed on the financial statements of Louisiana Assessors' Insurance Fund as of and for the year ended December 31, 2025, and the related notes to the financial statements.

2) No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.

3) No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.

4) A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required.

5) A management letter was not issued.

Part II – Findings Related to an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

No findings were noted.

LOUISIANA ASSESSORS' INSURANCE FUND

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended December 31, 2025

Part II – Findings Related to an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

No findings were noted.

Part III – Management Letter

A management letter was not issued for the year ended December 31, 2024.

LOUISIANA ASSESSORS' INSURANCE FUND

STATEWIDE AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2025

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2025

To the Insurance Committee of Louisiana Assessors' Insurance Fund
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. Louisiana Assessors' Insurance Fund's management is responsible for those C/C areas identified in the SAUPs.

Louisiana Assessors' Insurance Fund ("the Fund") has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The Fund does not have any employees; however, the Louisiana Assessors' Association provides management and other administrative services to the Fund for a fee. Employees of Louisiana Assessors' Association with responsibilities pertaining to the Fund are referred to herein as "employees."

The procedures and associated findings are as follows:

1) Written Policies and Procedures

A. Obtained and inspected the entity's written policies and procedures and observed whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

ii. ***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.

iii. ***Disbursements***, including processing, reviewing, and approving.

iv. ***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).

v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

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

vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

viii. ***Credit Cards (and debit cards, fuel cards, purchase 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).

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

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

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

xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results:

No exceptions noted.

2) Board or Finance Committee

A. Obtained and inspected 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

i. Observed 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.

ii. For those entities reporting on the governmental accounting model, reviewed the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observed whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observed 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.

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

iv. Observed whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results:

No exceptions noted.

3) Bank Reconciliations

A. Obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Asked management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected four additional accounts (or all accounts if less than five). Randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:

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

ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

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

Results:

No exceptions noted.

4) Collections (excluding electronic funds transfers)

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

B. For each deposit site selected, obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site (e.g., five collection locations for five deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:

i. Employees responsible for cash collections do not share cash drawers/registers;

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

iii. Each employee responsible for collecting cash is not also 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; and

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

Results:

No exceptions noted.

C. Obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observed that the bond or insurance policy for theft was in force during the fiscal period.

Results:

No exceptions noted.

D. Randomly selected two deposit dates for each of the five bank accounts selected for Bank Reconciliations procedure #3A. Obtained supporting documentation for each of the deposits and:

i. Observed that receipts are sequentially pre-numbered;

ii. Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip;

iii. Traced the deposit slip total to the actual deposit per the bank statement;

iv. Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer); and

v. Traced the actual deposit per the bank statement to the general ledger.

Results:

No exceptions noted.

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

A. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected five locations (or all locations if less than five).

B. For each location selected under procedure #5A above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties, and observed that job duties are properly segregated such that:

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

ii. At least two employees are involved in processing and approving payments to vendors;

iii. 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;

iv. 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; and

v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results:

No exceptions noted.

C. For each location selected under procedure #5A above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. Randomly selected five disbursements for each location, obtained supporting documentation for each transaction, and

i. Observed whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity; and

ii. Observed whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Results:

No exceptions noted.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly selected five non-payroll-related electronic disbursements (or all electronic disbursements if less than five) and observed that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Results:

No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (cards)

The Fund does not have any credit cards, debit cards, fuel cards, or purchase cards; therefore, these procedures are not applicable.

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

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

   i. Observed whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder; and

   ii. Observed that finance charges and late fees were not assessed on the selected statements.

C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly selected ten transactions (or all transactions if less than ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, observed 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).

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C, identified those individuals who had access to cards and randomly select five terminated employees (or all terminated employees with card access if less than five) from this population. Observed evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtained evidence that the terminated employees' authorization has been removed.

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

A. Obtained 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 selected five reimbursements and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

   i. If reimbursed using a per diem, observed that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

ii. If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

iii. Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

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

Results:

No exceptions noted.

8) Contracts

A. Obtained 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. Obtained management's representation that the listing is complete. Randomly selected five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and

i. Observed whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

ii. Observed whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

iii. If the contract was amended (e.g., change order), observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

iv. Randomly selected one payment from the fiscal period for each of the five contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Results:

No exceptions noted.

9) Payroll and Personnel

These procedures are not applicable. The Fund does not have any employees. However, the Louisiana Assessors' Association provides management and other administrative services to the Fund for a fee.

A. Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected five employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

B. Randomly selected one pay period during the fiscal period. For the five employees or officials selected under procedure #9A above, obtained attendance records and leave documentation for the pay period, and

i. Observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

ii. Observed whether supervisors approved the attendance and leave of the selected employees or officials;

iii. Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

iv. Observed the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

C. Obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees or officials and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agreed the hours to the employee's or official's cumulative leave records, agreed the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agreed the termination payment to entity policy.

D. Obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

A. Using the five randomly selected employees/officials from Payroll and Personnel procedure #9A, obtained ethics documentation from management, and

i. Observed whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

ii. Observed whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

<u>Results:</u>

The Fund does not have any employees. However, the Louisiana Assessors' Association provides management and other administrative services to the Fund for a fee. We selected all employees of the Louisiana Assessors' Association with responsibilities pertaining to the Fund and obtained ethics compliance documentation from management and determined whether the Fund maintained documentation to demonstrate that required ethics training was completed. No exceptions noted.

B. Inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

<u>Results:</u>

No exceptions noted.

11) Debt Service

The Fund does not have any debt; therefore, these procedures are not applicable.

A. Obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Selected all debt instruments on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

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

12) Fraud Notice

A. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

   Results:

   There were no misappropriations of public funds or assets identified during the fiscal period; therefore, this procedure is not applicable.

B. Observed 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.

   Results:

   No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

A. Obtained and inspected the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquired of personnel responsible for backing up critical data) and observed evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

   Results:

   We performed these procedures and discussed the results with management.

B. Obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past three months.

Results:

We performed these procedures and discussed the results with management.

C. Obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly selected five computers and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results:

We performed these procedures and discussed the results with management.

D. Randomly selected five terminated employees (or all terminated employees if less than five) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observed evidence that the selected terminated employees have been removed or disabled from the network.

Results:

We performed these procedures and discussed the results with management.

E. Using the five randomly selected employees/officials from Payroll and Personnel procedure #9A, obtained cybersecurity training documentation from management, and observed that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267.

Results:

We performed these procedures and discussed the results with management.

14) Prevention of Sexual Harassment

A. Using the five randomly selected employees/officials from Payroll and Personnel procedure #9A, obtained sexual harassment training documentation from management, and observed that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results:

The Fund does not have any employees. However, the Louisiana Assessors' Association provides management and other administrative services to the Fund for a fee. We selected all employees of Louisiana Assessors' Association with responsibilities pertaining to the Fund and obtained sexual harassment compliance documentation from management and determined whether the Fund maintained documentation to demonstrate that required sexual harassment training was completed. No exceptions noted.

B. Observed that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results:

No exceptions noted.

C. Obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that the report includes the applicable requirements of R.S. 42:344:

i. Number and percentage of public servants in the agency who have completed the training requirements;

ii. Number of sexual harassment complaints received by the agency;

iii. Number of complaints which resulted in a finding that sexual harassment occurred;

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

v. Amount of time it took to resolve each complaint.

Results:

No exceptions noted.

We were engaged by Louisiana Assessors' Insurance Fund to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of Louisiana Assessors' Insurance Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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.

Hogan Taylor LLP

Baton Rouge, Louisiana
June 26, 2026