

Livingston Parish Assessor
Livingston, Louisiana

Annual Financial Statements

As of and for the Year Then Ended December 31, 2018
With Supplemental Information Schedules



BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Livingston Parish Assessor
Annual Financial Statements
As of and for the Year Ended December 31, 2018
With Supplemental Information Schedules

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish Assessor, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 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

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

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

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

BRUCE HARRELL & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

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

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

Change in Accounting Principle

As described in Note 16 to the financial statements, in 2018, the Assessor adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedule of changes in net OPEB liability and related ratios on pages 8-13, 46, and 47, respectively, as well as the information presented in the Schedule of the Assessor's Proportionate Share of the Net Pension Liability on page 48 and the Schedule of the Livingston Parish Assessor's Contributions on page 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The accompanying schedule listed as Other Supplemental Information in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling

BRUCE HARRELL & COMPANY
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To the Honorable Jeffrey G. Taylor, CLA
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such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules listed as Other Supplemental Information in the table of contents 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 *Governmental Auditing Standards*, we have also issued our report dated June 29, 2018 on our consideration of the Livingston Parish Assessor's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Livingston Parish Assessor's internal control over financial reporting and compliance.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

Kentwood, Louisiana
June 29, 2019

Required Supplemental Information (Part I)
Management's Discussion and Analysis

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2018**

Introduction

The Management's Discussion and Analysis (MD&A) for the Assessor, offers readers of the Assessor's financial statements this narrative overview and analysis of the financial activities of the Assessor for the fiscal year ended December 31, 2018. This MD&A is designed to provide an objective and easy to read analysis of the Assessor's financial activities based on currently known facts, decisions, or conditions.

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

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

Financial Highlights

- At December 31, 2018, the Assessor's government wide assets and deferred outflows of resources of \$10,436,542 were above its liabilities and deferred inflows of resources by \$1,921,210 (net position). Of this amount, \$365,017 was unrestricted and available to support short-term operations, with the balance of \$1,556,193 for net investment in capital assets.
- Ad valorem taxes, the main source of revenue for the assessor's office totaled \$4,446,005 on the fund basis for the current fiscal year, as compared to \$4,443,242 for the fiscal year ending December 31, 2017.
- Total expenses on the government-wide basis for the fiscal year ending December 31, 2018 were \$2,205,852 decreasing by \$2,355,267 from \$4,561,119 for the prior fiscal year.
- At December 31, 2018, the general fund reported ending fund balance of \$6,172,627, an increase of \$138,603 for the year. This entire amount of \$6,172,627 is unassigned fund balance.

Overview of the Annual Financial Report

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

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

Government-Wide Financial Statements

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

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2018**

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

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

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

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

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

Fund Financial Statements

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

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

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

Notes to the Financial Statements

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

**Livingston Parish Assessor
Management’s Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2018**

Government-Wide Financial Analysis

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

**Condensed Statements of Net Position
2018 and 2017**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Assets:		(Restated)
Current and Other Assets	\$ 7,914,679	\$ 6,687,267
Capital Assets	1,556,193	378,097
Total Assets	<u>9,470,872</u>	<u>7,065,364</u>
Deferred Outflows of Resources		
Pension Related	965,670	552,518
Total Deferred Outflows of Resources	<u>965,670</u>	<u>552,518</u>
Liabilities:		
Long-Term Obligations	6,211,701	7,944,725
Other Liabilities	1,260,149	145,744
Total Liabilities	<u>7,471,850</u>	<u>8,090,469</u>
Deferred Inflows of Resources		
Pension Related	742,633	540,757
Related to Other Post-Employment Benefits	300,849	-
Total Deferred Inflows of Resources	<u>1,043,482</u>	<u>540,757</u>
Net Position:		
Net Investment in Capital Assets	1,556,193	378,097
Unrestricted	365,017	(1,391,441)
Total Net Position	<u>\$ 1,921,210</u>	<u>\$ (1,013,344)</u>

The major component of change for “Current and Other Assets” is a \$1,227,412 increase in cash and equivalents.

“Capital Assets” increased by \$1,178,096, reflecting the depreciation expense recorded for the fiscal year ending December 31, 2018 of \$48,300. Capital asset increases included \$124,654 for vehicles and \$1,101,742 for construction in progress related to the new Assessor’s office building. The Assessor also sold vehicles that had an original cost of \$36,074. These vehicles were fully depreciated.

“Liabilities” decreased by \$618,619 due to the decreases in unfunded net other post-employment benefit obligations of \$1,769,379 and increases in net pension liability of \$32,858. The Assessor also had an increase of \$1,101,742 in due to other governments. This amount reflects the total cost due to the Livingston Parish Council for the construction of the new office building. Accounts payable increased \$27,850.

“Total Net Position” (total assets less total liabilities) increased by \$2,934,554 for the fiscal year ending December 31, 2018.

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2018**

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

**Condensed Statement of Activities
For the years ended December 31, 2018 and 2017**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Revenues:		(Restated)
Program Revenues:		
Charges for Services	\$ 19,429	\$ 16,445
Operating Grants and Contributions	461,859	476,538
General Revenues:		
Ad Valorem Taxes	4,487,051	4,281,280
Revenue Sharing	127,531	126,423
Interest Income	7,813	14,222
Other Intergovernmental Revenue	30,685	29,908
Other Revenue	88	2,002
Gain on Sale of Assets	5,950	-
Total Revenues	<u>5,140,406</u>	<u>4,946,818</u>
Expenses:		
General Government	2,205,852	4,561,119
Total Expenses	<u>2,205,852</u>	<u>4,561,119</u>
Change in Net Position	<u>2,934,554</u>	<u>385,699</u>
Net Position, Beginning	170,287	(1,399,043)
Prior Period Adjustments (Note 16)	<u>(1,183,631)</u>	<u>-</u>
Net Assets - Beginning (Restated)	<u>(1,013,344)</u>	<u>(1,399,043)</u>
Net Position, Ending	<u>\$ 1,921,210</u>	<u>\$ (1,013,344)</u>

The Assessor's governmental net position increased by \$2,934,554 as compared to a prior fiscal year net position increase of \$385,699. The Assessor's total revenue increased by \$193,588 due to increases in ad valorem taxes of \$205,771, Gain on Sale of Assets of \$5,950 offset by a decrease in operating grants of \$14,679, and a decrease in interest income of \$6,409. The operating grants are non-employer retirement contributions to the cost-sharing pension plan. Total expenses on the government-wide basis for the fiscal year ending December 31, 2018 decreased by \$2,355,267 primarily due to a decrease in other post-employment benefits of \$2,330,430 due to changes in the plan.

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2018**

Fund Financial Analysis

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

Governmental Funds

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

At the end of the current year, the Assessor's one governmental fund, the general fund, reported ending fund balance of \$6,172,627, an increase of \$138,603 from the prior year. The entire fund balance was unassigned and available for spending at the Assessor's discretion.

Governmental Fund Budgetary Highlights

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

Capital Assets

At December 31, 2018, the Assessor's net investment in capital assets for its governmental activities amounts to \$1,556,193.

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

**Capital Assets (Net of Depreciation)
2018 and 2017**

Capital Assets	Governmental Activities	
	2018	2017
Buildings and Improvements	\$ 517,641	\$ 517,641
Equipment and Furniture	66,128	66,128
Vehicles	291,778	203,198
Computers	346,028	346,028
Construction in Progress	1,101,742	-
Subtotal Capital Assets	<u>2,323,317</u>	<u>1,132,995</u>
Less: Accumulated Depreciation	<u>(767,124)</u>	<u>(754,898)</u>
Capital Assets, Net	<u><u>\$ 1,556,193</u></u>	<u><u>\$ 378,097</u></u>

Capital asset increases included \$124,654 for vehicles and \$1,101,742 for construction in progress related to the new Assessor's office building. The Assessor also sold vehicles that had an original cost of \$36,074. These

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2018**

vehicles were fully depreciated. Additional information on the Livingston Parish Assessor's capital assets can be found in Note 7.

Other Factors Affecting the Assessor

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

Contacting the Assessor's Financial Management

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

Basic Financial Statements

Government-Wide Financial Statements

Statement A

**Livingston Parish Assessor
Statement of Net Position
As of December 31, 2018**

		<u>Governmental Activities</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$	3,032,601
Investments		328,811
Receivables, Net:		4,494,364
Prepaid Insurance and Service Contracts		58,903
Total Current Assets		<u>7,914,679</u>
Capital Assets:		
Construction in Progress		1,101,742
Capital Assets, Net		454,451
Total Capital Assets		<u>1,556,193</u>
Total Assets		<u>9,470,872</u>
Deferred Outflows of Resources		
Pension Related		965,670
Total Deferred Outflows of Resources		<u>965,670</u>
Liabilities		
Current Liabilities:		
Accounts Payable		99,704
Other Accrued Payables		1,160,445
Total Current Liabilities		<u>1,260,149</u>
Long Term Liabilities:		
Other Post-Employment Benefits Obligation		5,513,854
Net Pension Liability		664,769
Compensated Absences Payable		33,078
Total Long Term Liabilities		<u>6,211,701</u>
Total Liabilities		<u>7,471,850</u>
Deferred Inflows of Resources		
Pension Related		742,633
Related to Other Post-Employment Benefits		300,849
Total Deferred Inflows of Resources		<u>1,043,482</u>
Net Position		
Net Investment in Capital Assets		1,556,193
Unrestricted		365,017
Total Net Position	\$	<u>1,921,210</u>

The accompanying notes are an integral part of this statement.

Statement B

**Livingston Parish Assessor
Statement of Activities
For the year ended December 31, 2018**

	<u>Program Revenues</u>			Net (Expenses) Revenues	<u>Net (Expenses) Revenues and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>		<u>Governmental Activities</u>
Governmental Activities					
General Government	\$ 2,205,852	\$ 19,429	\$ 461,859	\$ (1,724,564)	\$ (1,724,564)
Total Governmental Activities	<u>2,205,852</u>	<u>19,429</u>	<u>461,859</u>	<u>(1,724,564)</u>	<u>(1,724,564)</u>
General Revenues:					
Ad Valorem Tax					4,487,051
Revenue Sharing					127,531
Interest Income					7,813
Other Intergovernmental Revenue					30,685
Other Revenue					88
Gain on Disposal of Assets					5,950
Total General Revenues					<u>4,659,118</u>
Change in Net Position					<u>2,934,554</u>
Net Position - Beginning					170,287
Prior Period Adjustments (Note 16)					(1,183,631)
Net Position - Beginning (Restated)					<u>(1,013,344)</u>
Net Position - Ending					<u>\$ 1,921,210</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fund Financial Statements

**Livingston Parish Assessor
Governmental Fund Balance Sheet
As of December 31, 2018**

	General Fund
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 3,032,601
Investments	328,811
Receivables, Net:	
Ad Valorem Tax	4,416,112
Due From Other Governments	72,302
Other Receivables	5,950
Total Assets	\$ 7,855,776
Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities:	
Current Liabilities:	
Accounts Payable	\$ 99,704
Other Accrued Payables	58,703
Due To Other Governments	1,101,742
Total Liabilities	1,260,149
Deferred Inflows of Resources:	
Ad Valorem Taxes	423,000
Total Deferred Inflows of Resources	423,000
Fund Balances:	
Unassigned	6,172,627
Total Fund Balances	6,172,627
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,855,776

The accompanying notes are an integral part of this statement.

**Livingston Parish Assessor
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
As of December 31, 2018**

Total Fund Balance, Governmental Funds (Statement C)	\$ 6,172,627
Amounts reported for Governmental Activities in the Statement of Net Position are different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental Capital Assets, Net of Accumulated Depreciation	1,556,193
Prepaid Expenses not recorded in the fund basis financial statements.	58,903
Ad Valorem taxes collected after year-end, but not available soon enough to pay for current expenditures	423,000
Long-term liabilities are not due and payable in the current period and, therefore, not reported in the governmental funds.	
Accrued Sick Leave Payable	(33,078)
Unfunded Net Other Post-Employment Benefits Obligation	(5,513,854)
Net Pension Liability	(664,769)
Deferred Outflows of Resources	965,670
Deferred Inflows of Resources	(1,043,482)
Net Position of Governmental Activities (Statement A)	\$ <u>1,921,210</u>

The accompanying notes are an integral part of this statement.

Statement E

Livingston Parish Assessor
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2018

		<u>General Fund</u>
Revenues		
Ad Valorem Taxes	\$	4,446,005
Intergovernmental		
State Revenue Sharing		127,531
Fees Charged to Other Governments		30,685
Charges for Services		19,429
Interest		7,813
Other		88
Total Revenues		<u>4,631,551</u>
Expenditures		
Salaries		1,679,923
Benefits		900,619
Payroll Taxes		33,488
Insurance		37,159
Other operating		139,435
Professional Fees		317,250
Repairs and Maintenance		19,412
Supplies		85,727
Tax Collector Expense		2,308
Travel and Training		37,021
Utilities		20,160
Capital Outlays		1,226,396
Total Expenditures		<u>4,498,898</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		<u>132,653</u>
Other Financing Sources (Uses)		
Sale of Fixed Assets		5,950
Total Other Financing Sources (Uses)		<u>5,950</u>
Net Change in Fund Balances		<u>138,603</u>
Fund Balance, Beginning		<u>6,034,024</u>
Fund Balance, Ending	\$	<u>6,172,627</u>

The accompanying notes are an integral part of this statement.

Livingston Parish Assessor
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2018

Total Net Change in Fund Balances, Total Governmental Funds (Statement E) \$ 138,603

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

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

Expenditures for capital assets	\$ 1,226,396	
Less:		
Gain on Disposal of Assets	5,950	
Proceeds from Sale of Capital Assets	(5,950)	
Current year depreciation	<u>(48,300)</u>	1,178,096

Insurance and service contracts which cover future periods are reflected in expenditures on the governmental funds. However, the statement of net position accounts for these expenses as prepaid.

(66,642)

Compensated Absences payable after one year are not recorded as an expenditure in the governmental funds, but they are recorded as an expenditure in the statement of activities. (This entry records the change in compensated absences.)

(3,494)

Non-employer contributions to cost-sharing pension plan

461,859

Pension Expense

(283,441)

Increases in unfunded post-employment benefit obligations for medical insurance expected in future periods are not recorded for governmental funds on the fund basis.

1,468,527

Deferred inflows of resources for ad valorem taxes collected after year end, but not available soon enough to pay for current expenditures changed by the following amount.

41,046

Change in Net Position of Governmental Activities, Statement B \$ 2,934,554

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Notes to the Financial Statements

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018

Introduction

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

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

At December 31, 2018, there are 64,171 real property and movable property assessments totaling \$784,637,092. This represents an increase of 1,115 assessments totaling \$30,449,007 over the prior year, caused primarily by the increasing number of new businesses and residential growth in the parish during the year, rebuilding after the flood in 2016 and 2016 was a property reassessment year.

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

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

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

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

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018

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

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

During the year ended December 31, 2012, the Assessor also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Assessor had deferred outflows and deferred inflows of resources related to pension of \$965,670 and \$742,633, respectively, at December 31, 2018.

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

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

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

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

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

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

The Assessor reports the following major governmental funds:

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

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

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

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

C. Cash Equivalents and Investments

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

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

D. Receivables and Payables

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

**Livingston Parish Assessor
Notes to the Financial Statements
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E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. The Assessor did not have any inventory at December 31, 2018. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

F. Inventories

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

G. Capital Assets

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

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

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

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

H. Compensated Absences

Assessor employees earn vacation leave of 2 weeks per year for the first and second year of employment, 3 weeks per year for the third through the sixth year of employment, 4 weeks per year for the seventh through the fifteenth year of employment, 5 weeks per year for the sixteenth through the twenty-fourth year of employment, and 6 weeks per year for the twenty-fifth and greater years of employment. No vacation leave can be carried forward.

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

A liability for unused vacation is accrued comp time on the government-wide level.

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018

I. Net Position and Fund Balance

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

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

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

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

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

J. Comparative Data/Reclassifications

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

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

K. Extraordinary and Special Items

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

L. Estimates

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

M. Reconciliations of Government-Wide and Fund Financial Statements

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

2. Stewardship, Compliance and Accountability

Budget Information

The Assessor uses the following budget practices:

1. The Assessor prepares a General Fund budget, on the modified accrual basis of accounting, at the beginning of each year based upon prior year expenditures and anticipated revenues for the budget year.
2. The proposed budget is made available for public inspection no later than 15 days prior to the beginning of the year. A public hearing on the budget is advertised in the Livingston Parish News.
3. All annual appropriations lapse at fiscal year-end.

**Livingston Parish Assessor
Notes to the Financial Statements
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4. Budget amounts included in the accompanying financial statements include the original adopted budgets.
5. Formal budgetary integration (with the accounting system) is employed as a management control device. During the fiscal year, actual revenues and expenditures are compared to budgeted revenues and expenditures by the Assessor. If actual revenues are falling short of budgeted revenues by 5% or more, or if actual expenditures to date plus projected expenditures for the remainder of the year exceed the budgeted expenditures by 5% or more, the original budget is amended by the Assessor.

There were no material variances in actual revenues and other sources under budgeted revenues and other sources or actual expenditures and other sources over budgeted amounts for the year ended December 31, 2018 that would have resulted in a violation of the Local Government Budget Act.

3. Cash and Cash Equivalents

At December 31, 2018, the Assessor has cash and cash equivalents (book balances) as follows:

	December 31, 2018
Cash on Hand	\$ 500
Demand Deposits	2,926,420
Louisiana Asset Management Pool (LAMP)	103,355
Time and Savings Accounts	2,326
Total	\$ 3,032,601

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

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2018, the Assessor had \$3,203,131 in deposits other than LAMP in financial institutions (collected bank balances) and \$2,326 in cash deposits in a broker account. These combined deposits of \$3,205,457 (bank balance) consisted of \$2,995,735 in demand deposits, \$2,326 in time and savings deposits (See Note 4), and \$207,396 in certificates of deposit held as investments (See Note 4). The Assessor's demand deposits of \$2,995,735 and \$207,396 of its certificates of deposit are held at one financial institution. Of these amounts, \$250,000 are secured from risk by federal deposit insurance of \$250,000 and the remaining \$2,953,131 is secured by pledged securities. The \$2,953,131 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The time and savings deposit of \$2,326 is held in a broker account and is secured by SPIC brokerage insurance.

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

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

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

4. Investments

Investments are categorized into these three categories of credit risk:

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

At December 31, 2018, Livingston Parish Assessor investment balances consisted of the following:

	Maturity Date	Carrying Amount	Fair Market Value
Certificates of Deposit	August 25, 2019	\$ 207,396	\$ 207,396
Certificates of Deposit - Held in Broker Account	April 19, 2021	20,538	20,538
Bonds			
Louisiana Pub Facs Auth			
Hospital Rev Franciscan			
Missionaries PJ (A2)	July 1, 2042	100,877	100,877
	Total \$	328,811	\$ 328,811

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

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

The Assessor held one certificate of deposit that qualified as an investment, at December 31, 2018, with a market value of \$207,396. The certificate of deposit bears an interest rate of 0.80% and matures on August 25, 2019. The certificates of deposit are not included in cash equivalents at December 31, 2018 because their original maturity date is greater than 90 days. Any penalty for early withdrawal would not have a material effect on the financial statements. The Assessor also has one certificate of deposit that is held in a broker account, at December 31, 2018, with a market value of \$20,538. The certificate of deposit bears an interest rate of 2.25% and matures on April 19, 2021. The certificate of deposit is not included in cash equivalents at December 31, 2018 because the original maturity date is greater than 90 days. Any penalty for early withdrawal would not have a material effect on the financial statements. The Assessor also had a bond in the amount of \$121,415. The Louisiana Public Facilities Bond has an amortized cost of

Livingston Parish Assessor
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\$100,667 with a market value of \$100,877, with an unrealized loss of \$210 and is scheduled to mature in July 2042.

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

In accordance with GASB Codification Section I50.165, the investment in LAMP at December 31, 2018, is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

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

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

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

1. Credit risk: LAMP is rated AAAM by Standards and Poor's.
2. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: LAMP is designed to be highly liquid to give participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 30 days (from LAMP's monthly Portfolio Holding) as of December 31, 2018.
5. Foreign currency risk: Not applicable to 2a7-like pools.

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

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

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

Livingston Parish Assessor
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5. Levied Taxes

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

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

The Livingston Parish Assessor is authorized to levy up to 8.52 mills in ad valorem taxes. An 8.52 mill ad valorem tax was levied for the year ended December 31, 2018. The total assessed valuation for all taxpayers at December 31, 2018 was \$784,637,092. There were no individual taxpayers whose assessed tax was greater than 5% of the total taxes assessed.

6. Receivables

The Governmental Fund receivables at December 31, 2018 consist of the following:

Government Receivables

Ad Valorem Taxes	\$ 4,416,112
Revenue Sharing	42,348
Due from Other Governments	29,954
Other Receivables	<u>5,950</u>
Total Government Receivables	\$ <u>4,494,364</u>

Uncollectible amounts due for Ad Valorem taxes are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The estimated uncollectible amount at December 31, 2018 for Ad Valorem taxes is \$184,005.

**Livingston Parish Assessor
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7. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2018 for governmental activities is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities Capital Assets:				
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ -	\$ 1,101,742	\$ -	\$ 1,101,742
Total Capital Assets Not Being Depreciated	<u>-</u>	<u>1,101,742</u>	<u>-</u>	<u>1,101,742</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	517,641	-	-	517,641
Vehicles	203,198	124,654	(36,074)	291,778
Machinery and Equipment	66,128	-	-	66,128
Computers	346,028	-	-	346,028
Total Capital Assets Being Depreciated	<u>1,132,995</u>	<u>124,654</u>	<u>(36,074)</u>	<u>1,221,575</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	185,721	28,143		213,864
Vehicles	162,724	18,413	(36,074)	145,063
Machinery and Equipment	65,017	404		65,421
Computers	341,436	1,340		342,776
Total Accumulated Depreciation	<u>754,898</u>	<u>48,300</u>	<u>(36,074)</u>	<u>767,124</u>
Total Capital Assets Being Depreciated, Net	<u>378,097</u>	<u>76,354</u>	<u>-</u>	<u>454,451</u>
Total Governmental Activities Capital Assets, Net	\$ <u>378,097</u>	\$ <u>1,178,096</u>	\$ <u>-</u>	\$ <u>1,556,193</u>
Depreciation was charged to governmental functions as follows:				
General Government				\$ <u>48,300</u>
				<u>\$ 48,300</u>

Capital asset increases included \$124,654 for vehicles and \$1,101,742 for construction in progress related to the new Assessor's office building. The Assessor also sold vehicles that had an original cost of \$36,074. These vehicles were fully depreciated. See Note 15 - Cooperative Endeavor Agreement related to the construction of a new office building to house the Livingston Parish Assessor.

8. Retirement Systems

A. Louisiana Assessors' Retirement Fund and Subsidiary

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

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

Plan Description: Membership in the Louisiana Assessors' Retirement Fund is a condition of employment for Assessors and their full-time employees. The Louisiana Assessors' Retirement Fund was

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created by Act 91 Section 1 of the 1950 regular Legislature Session. The fund is a cost sharing, multiple-employer, qualified governmental defined benefit pension plan covering assessors and their deputies employed by the parish of the State of Louisiana, under the provisions of Louisiana Revised Statutes 11:401 through 1494. The plan is a qualified plan as defined by the Internal Revenue Code Section 401(a), effective January 1, 1998.

Retirement Benefits:

Plan benefits are as follows:

For employees hired prior to October 1, 2013:

Any age with 30 or more years of creditable service

Age 55 with 12 years of creditable service

For employees hired after October 1, 2013:

Age 55 with 30 years of service

Age 60 with 12 years of service

Employees who became members prior to October 1, 2006, are entitled to annual pension benefits equal to 3 1/3% 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. At death, the beneficiary will receive a lump sum payment based on the present value of the employee's annuity account balance.
2. At death, the beneficiary will receive a life annuity based on their reduced retirement allowance.
3. At death, the beneficiary will receive a life annuity equal to ½ of their reduced retirement allowance.
4. Any other benefit certified by the actuary and approved by the Board of Trustees that will be equivalent in value to their retirement allowance.

Survivor Benefits:

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

1. If a member of the Fund dies in service with less than 12 years of creditable service and leaves a surviving spouse, their accumulated contributions shall be paid to the surviving spouse.
2. If a member dies and has 12 or more years of creditable service and is not eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the joint and survivorship amounts provided in Option 2 as provided for in R.S. 11:1423, which shall cease upon a subsequent remarriage, or a refund of the member's accumulated contributions, whichever the spouse elects to receive.

Livingston Parish Assessor
Notes to the Financial Statements
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3. If a member dies and is eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the Option 2 benefits provided for in R.S. 11:1423, which shall not terminate upon a subsequent remarriage.
4. Benefits set forth in item number 2 above, shall cease upon remarriage and shall resume upon a subsequent divorce or death of a new spouse. The spouse shall be entitled to receive a monthly benefit equal to the amount being received prior to remarriage.

Disability Benefits:

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

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

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

Back-DROP(Deferred Retirement Option Plan) Benefits:

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

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

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

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

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

Livingston Parish Assessor
Notes to the Financial Statements
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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.

Funding Policy:

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

Administrative costs of the Fund are financed through employer contributions. According to the state statute contributions for all employers are actuarially determined each year. Employer contributions were 8 percent of members' earnings for the year ended September 30, 2018. During the year ending December 31, 2018, the Assessor recognized revenue as a result of support received from non-employer contributing entities of \$461,859 for its participation in the Louisiana Assessors' Retirement Fund.

The Livingston Parish Assessor's contribution to the system for the years ending December 31, 2018, and 2017 was \$244,817 and \$268,539 respectively equal to the required contributions for each year.

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 \$664,769 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of September 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Assessor's proportion of the net pension liability was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At December 31, 2018, the Assessor's proportion was 3.419529%, which was a decrease of 0.181696% from its proportion measured as of September 30, 2017.

For the year ended December 31, 2018, the Assessor recognized pension expense of \$528,258 which represents its proportionate share of the system's net expense including amortization of deferred amounts.

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 50,161	\$ (304,354)
Changes of Assumptions	853,042	-
Net difference between projected and actual earnings on pension plan investments	-	(338,457)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	30,755	(99,822)
Diff in Actual & Proportionate Contributions	-	-
Employer contributions subsequent to the measurement date	31,712	-
Total	\$ 965,670	\$ (742,633)

The Assessor reported a total of \$31,712 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of September 30, 2018 which will be recognized as a reduction in net pension liability in the year ended December 31, 2018.

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

<u>Year</u>	
2019	\$ 151,803
2020	\$ (79,662)
2021	\$ (31,144)
2022	\$ 74,147
2023	\$ 76,181
	\$ 191,325

Actuarial Assumptions.

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

Valuation Date	September 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.25%, (Net of pension plan investment expense, including inflation)
Expected Remaining Service Lives	6 years
Inflation Rate	2.20%
Salary Increases	5.75%

**Livingston Parish Assessor
Notes to the Financial Statements
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Annuitant and beneficiary mortality	RP 2000 Healthy Annuitant Table set forward one year and projected to 2030 for males and females.
Active Members Mortality	RP-2000 Employee Table set back four years for males and three years for females.
Disabled Lives Mortality	RP-2000 Disabled Lives Mortality Tables set back five years for males and three years for females.

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

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

The long-term expected rate of return selected for this report by the Fund was 6.725%. 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 method as specified in the 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%.

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the participating employers calculated using the discount rate of 6.25%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of September 30, 2018:

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

	1% Decrease	Current Discount Rate	1% Increase
Rates	5.25%	6.25%	7.25%
Livingston Parish Assessor Share of NPL	\$ 2,235,901	\$ 664,769	\$ (681,240)

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

B. Other Pension Plans

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

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

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

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

Retirement Expense for these other pension plans for 2018 was \$119,111.

9. Other Post-Employment Benefits

General Information about the OPEB Plan

Plan Description. The Livingston Parish Assessor contributes to a single-employer defined benefit healthcare plan ("Plan"). The Plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Livingston Parish Assessor's group health insurance plan, which covers both active and retired members. Eligible members are those employees who work at least 35 hours a week for the Livingston Parish Assessor, who have completed a waiting period of thirty consecutive days while employed, and who are eligible for the Livingston Parish Assessor's retirement plan. Eligible members are also retired employees who are at least 55 years of age (or have at least 30 years of service regardless of age); who have at least 12 years of service with the Livingston Parish Assessor; and who were covered under the Plan for a minimum of thirty consecutive days immediately preceding retirement. Benefit

**Livingston Parish Assessor
Notes to the Financial Statements
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provisions are established by the Livingston Parish Assessor. The Plan does not issue a publicly available financial report.

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

Plan Membership. At January 1, 2018 (the valuation date), the Plan's membership consisted of the following:

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

Total OPEB Liability

The Assessor's total OPEB liability of \$5,513,854 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.3%
Salary Increases	3.0%
Discount Rate	4.1%
Healthcare Cost Trend Rate	4.0% Non-Medicare; 4.7% Medicare
Participation Rate	100% of members assumed to elect retiree medical coverage at retirement
Marriage	For actives, it is assumed that husbands are 3 years older than their wives with 20% of active participates elected spouse coverage at retirement

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index as of December 31, 2018.

Mortality rates were based on the following:

Health retirement: Sex-distinct RP-2014 Total Dataset Mortality with separate employee, healthy annuitant rates, projected generationally using scale MP-2018.

Disability retirement: Sec-distinct RP-2014 Total Dataset Mortality with separate employee, disabled annuitant rates, projected generationally using scale MP-2018.

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

Changes in the Total OPEB Liability.

Balance as of December 31, 2017	\$ 7,283,230
Changes for the year:	
Service cost	599,852
Interest on total OPEB liability	270,656
Effect of plan changes	(2,264,213)
Effect of economic/demographic gains or losses	(219,430)
Assumption changes	(125,661)
Benefit payments	<u>(30,580)</u>
Balance as of December 31, 2018	<u>\$ 5,513,854</u>

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

	<u>1% Decrease (3.10%)</u>	<u>Discount Rate (4.10%)</u>	<u>1% Increase (5.10%)</u>
Total OPEB Liability	\$ 6,632,908	\$ 5,513,854	\$ 4,634,766

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 4,685,382	\$ 5,513,854	\$ 6,585,552

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

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

For the year ended December 31, 2018, the Assessor recognized negative OPEB expense of \$1,437,947. At December 31, 2018, the Assessor reported deferred outflows or resources and deferred inflow of resources to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 191,298
Changes of Assumptions	-	(109,551)
Amounts paid subsequent to the measurement date	-	-
	\$ -	\$ 81,747

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

Years Ending December 31:

2019	\$	(44,242)
2020		(44,242)
2021		(44,242)
2022		(44,242)
2023		(44,242)
Thereafter		(79,639)
	\$	(300,849)

10. Accounts and accrued Payables

	December 31, 2018
Governmental Funds Payable	
Accounts	\$ 99,704
Other	
Pension Fund Deduction Payable	42,148
Payroll Liabilities Payable	16,555
Due To Other Governments	1,101,742
Total Government Funds Payable	\$ 1,260,149

11. Long Term Liabilities

The Assessor did not have any long-term obligations at December 31, 2018, except for the unfunded OPEB obligation as described in Note 9 and the compensated absences payable of \$33,078.

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

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

Certain operating expenditures of the Livingston Parish Assessor are provided by the Livingston Parish Council and are not included in the accompanying financial statements. For the fiscal year ended December 31, 2018, the Parish Council provided utilities and insurance coverage for office space for the Livingston Parish Assessor.

13. Risk Management

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

14. Contingent Liabilities

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

15. Cooperative Endeavor Agreements

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

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018**

16. Prior Period Adjustment

For the year ended December 31, 2018, the following statement was implemented: GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 addressed accounting and financial reporting for other postemployment benefits (OPEB) for health care and life insurance that are provided to employees of state and local governmental employers. In addition, Statement No. 75 supersedes GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. Most significantly, the Assessor is required to recognize the OPEB Liability presented in Note 9.

		Governmental Activities
Net Position, December 31, 2017 as previously reported	\$	170,287
Net OPEB Liability as of December 31, 2017		(1,183,631)
Total Net Position, December 31, 2017, Restated	\$	(1,013,344)

17. Subsequent Events

Subsequent events have been evaluated by management through June 29, 2019, the date the financial statements were available for issuance. No other events were noted that require recording or disclosure in the financial statements for the year ending December 31, 2018.

Required Supplemental Information (Part II)

Livingston Parish Assessor
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual
General Fund
For the year ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Revenues				
Ad Valorem Taxes	\$ 3,900,000	\$ 4,400,000	\$ 4,446,005	\$ 46,005
Intergovernmental				-
State Revenue Sharing	120,000	120,000	127,531	7,531
Fees Charged to Other Governments	-	-	30,685	30,685
Charges for Services	-	-	19,429	19,429
Interest	-	-	7,813	7,813
Other	80,000	80,000	88	(79,912)
Total Revenues	<u>4,100,000</u>	<u>4,600,000</u>	<u>4,631,551</u>	<u>31,551</u>
Expenditures				
Salaries	1,400,000	1,700,000	1,679,923	20,077
Benefits	800,000	1,000,000	900,619	99,381
Payroll Taxes	-	-	33,488	(33,488)
Insurance	-	-	37,159	(37,159)
Other operating	-	-	139,435	(139,435)
Professional Fees	100,000	320,000	317,250	2,750
Repairs and Maintenance	100,000	270,000	19,412	250,588
Supplies	60,000	60,000	85,727	(25,727)
Tax Collector Expense	-	-	2,308	(2,308)
Travel and Training	40,000	40,000	37,021	2,979
Utilities	-	-	20,160	(20,160)
Capital Outlays	1,600,000	1,300,000	1,226,396	73,604
Total Expenditures	<u>4,100,000</u>	<u>4,690,000</u>	<u>4,498,898</u>	<u>191,102</u>
Excess Revenues (Expenditures)	<u>-</u>	<u>(90,000)</u>	<u>132,653</u>	<u>222,653</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	-	-	5,950	5,950
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5,950</u>	<u>5,950</u>
Net Change in Fund Balances	<u>-</u>	<u>(90,000)</u>	<u>138,603</u>	<u>228,603</u>
Fund Balances, Beginning	<u>-</u>	<u>6,034,024</u>	<u>6,034,024</u>	<u>-</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ 5,944,024</u>	<u>\$ 6,172,627</u>	<u>\$ 228,603</u>

See Independent Auditor's Report.

Livingston Parish Assessor
Schedule of Changes in Net OPEB Liability and Related Ratios
For the year ended December 31, 2018

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

Notes to Schedule:

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

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

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

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

See Independent Auditor's Report.

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

Louisiana Assessors' Retirement Fund and Subsidiary:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Employer's Proportion of the Net Pension Liability (Assets)	3.909484%	3.840189%	3.601225%	3.419529%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,045,922	\$ 1,355,085	\$ 631,911	\$ 664,769
Employer's Covered-Employee Payroll	\$ 1,642,732	\$ 1,673,188	\$ 1,581,003	\$ 1,508,274
Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered-Employee Payroll	124.543870%	80.988209%	39.968994%	44.074817%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.570000%	90.677700%	95.610400%	95.456600%

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

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

See Independent Auditor's Report.

Livingston Parish Assessor
Schedule of the Assessor's Contributions
For the year ended December 31, 2018

Louisiana Assessors' Retirement Fund and Subsidiary:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$ 217,870	\$ 248,472	\$ 133,481	\$ 122,408
Contributions in relation to contractually required contributions	<u>217,870</u>	<u>248,472</u>	<u>133,481</u>	<u>122,408</u>
Contribution deficiency (excess)	-	-	-	-
Employer's Covered Employee Payroll	\$ 1,613,615	\$ 1,700,876	\$ 1,533,391	\$ 1,530,106
Contributions as a % of Covered Employee Payroll	13.501982%	14.608472%	8.704955%	7.999969%

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

See Independent Auditor's Report.

Other Supplemental Information

Schedule 5

**Livingston Parish Assessor
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the year ended December 31, 2018**

Agency Head: Jeff Taylor, Assessor

Purpose		Amount
Salary	\$	158,746
Benefits - Insurance		23,095
Benefits - Retirement		15,080
Employer Paid Payroll Taxes		2,505
Travel		3,939
Continuing Professional Education Fees		-
Per Diem and Meals Reimbursement		601
Registration Fees		1,145
Total	\$	<u>205,111</u>

See Independent Auditor's Report.

Livingston Parish Assessor
Schedule of Findings and Responses
For the Year Ended December 31, 2018

Section I Summary of Auditor's Results

Financial Statements

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

- Unmodified Qualified
- Disclaimer Adverse

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

Internal Control:

- Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance:

- Noncompliance Material to Financial Statements Yes No

Federal Awards - NA

Internal Control over major federal Programs:

- Material Weaknesses Yes No Significant Deficiencies Yes No

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

- Unmodified Qualified
- Disclaimer Adverse

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

- Yes No

Was a management letter issued?

- Yes No

Identification of Major Programs:

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

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

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

Livingston Parish Assessor
Schedule of Findings and Responses
For the Year Ended December 31, 2018

Section II Financial Statement Findings

None

Section III Federal Award Findings and Questioned Costs

None

Livingston Parish Assessor
Schedule of Prior Year Findings and Responses
For the Year Ended December 31, 2018

Section I Internal Control and Compliance Material to the Financial Statements

None

Section II Internal Control and Compliance Material to Federal Awards

None

Section III Management Letter

N/A

This schedule was prepared by management.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish Assessor, Livingston, Louisiana, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Livingston Parish Assessor's basic financial statements and have issued our report thereon June 29, 2019.

Internal Control over Financial Reporting

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

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

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

BRUCE HARRELL AND CO., CPAs

CERTIFIED PUBLIC ACCOUNTANTS

A professional accounting corporation

To the Honorable Jeffrey G. Taylor, CLA

Livingston Parish Assessor

Page 2

Compliance and Other Matters

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

Purpose of this Report

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



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

Kentwood, Louisiana

June 29, 2019

Livingston Parish Assessor

Statewide Agreed-Upon Procedures

As of and for the Year Then Ended December 31, 2018



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Independent Accountant's Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the Livingston Parish Assessor (Entity) and the Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the Louisiana's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Entity's management is responsible for those C/C areas identified in the SAUP's.

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

The procedures and associated findings are as follows:

Collections

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

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

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

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

There are no cash drawers/registers.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

The Assessor has a public employee surety bond policy.

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

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

N/A. The Assessor doesn't use receipts. All collections are received from other governments. The Assessor uses the remittances as support. No exceptions noted.

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

The Assessor doesn't use receipts; however, traced the remittances and other support to the deposit slip. No exceptions noted.

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

Traced the deposit slip total to the bank statement. 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).

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

Management's response. The Assessor will begin initialing and dating when the check was received. This date will serve as the collection date as noted above.

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

Traced the deposit per bank statement to the general ledger. No exceptions noted.

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

5. 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.

Obtained listing of all active credit cards, bank debit cards, fuel cards, and P-cards and management's representation that the listing is complete.

6. 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.]]

No exceptions noted.

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

No finance charges or late fees were noted.

7. 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).

No exceptions noted.

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

8. 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:

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).

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.

No exceptions noted.

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).

No exceptions noted.

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

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 the control or compliance. Accordingly, this report is not suitable for any other purposes. Under Louisiana Revised Statute R.S.24:513, this report is distributed by the LLA as a public document.



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

June 29, 2019