

**SABINE PARISH ASSESSOR
MANY, LOUISIANA
ANNUAL FINANCIAL REPORT**

DECEMBER 31, 2019

Sabine Parish Assessor
Sabine, Louisiana

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information		
Management's Discussion and Analysis	-	1-4
Independent Auditor's Report	-	5-7
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Position	A	10
Statement of Activities	B	11
Fund Financial Statements		
Balance Sheet-Governmental Fund	C	13
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	D	14
Statement of Revenues, Expenditures, and Changes in Fund Balance	E	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	F	16
Notes to Financial Statements	-	18-34
Other Required Supplementary Information		
Budgetary Comparison Schedule	G	36
Schedule of Employer's Share of Net Pension Liability	H	37
Schedule of Employer Contributions	I	38
Schedule of Changes in Total OPEB Liability	J	39
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	K	40
Supplementary Information		
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 <i>Government Auditing Standards</i>	L	42-43

Sabine Parish Assessor
Sabine, Louisiana

TABLE OF CONTENTS (CONTINUED)

	<u>Exhibit</u>	<u>Page</u>
Schedule of Audit Results	M	44
Independent Accountant's Report on Applying Statewide Agreed-Upon Procedures	N	45-47
Management's Response to Exceptions to Statewide Agreed-Upon Procedures	O	48

SABINE PARISH ASSESSOR

400 S. Capitol Street, Room 106
Many, LA 71449

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of the Sabine Parish Assessor (Assessor) provides an overview and overall review of the Assessor's financial activities for the year ended December 31, 2019. The intent of the MD&A is to look at the Assessor's financial performance as a whole. It should, therefore, be read in conjunction with this report.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Assessor as a whole and presents a longer-term view of the Assessor's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. Certain comparative information is presented to provide an overview of the Assessor's operations.

Government-wide Financial Statements

The Statement of Net Position presents all of the Assessor's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Assessor's 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 current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

Governmental Fund Financial Statements. The services provided by the Assessor are financed through a governmental fund. 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 legal requirements. The Assessor's only governmental fund is the General Fund and is considered a major fund for presentation purposes. These statements provide a short-term view of the Assessor's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Assessor.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2019</u>	<u>2018</u>
ASSETS:		
Current Assets	\$2,471,720	\$2,514,941
Capital assets, net of accumulated depreciation	<u>110,893</u>	<u>154,699</u>
Total Assets	<u>\$2,582,613</u>	<u>\$2,669,640</u>
DEFERRED OUTFLOWS OF RESOURCES:	<u>\$ 552,160</u>	<u>\$ 300,645</u>
LIABILITIES:		
Accounts payable and payroll liabilities	<u>\$ 21,347</u>	<u>\$ 24,969</u>
Long-term Liabilities		
Other post-employment benefits	\$1,718,080	\$1,347,820
Net pension liability	<u>272,016</u>	<u>195,370</u>
Total Long-term Liabilities	<u>\$1,990,096</u>	<u>\$1,543,190</u>
Total Liabilities	<u>\$2,011,443</u>	<u>\$1,568,159</u>
DEFERRED INFLOWS OF RESOURCES:	<u>\$ 208,152</u>	<u>\$ 244,799</u>
NET POSITION:		
Net Investment in Capital Assets	\$ 110,893	\$ 154,699
Unrestricted	<u>804,285</u>	<u>1,002,628</u>
Total Net Position	<u>\$ 915,178</u>	<u>\$1,157,327</u>

Summary of Statement of Activities

	<u>2019</u>	<u>2018</u>
REVENUES:		
Charges for Services	\$ <u>14,350</u>	\$ <u>29,759</u>
General Revenues-		
Property Taxes	\$1,225,312	\$1,134,256
State Revenue Sharing	39,460	39,257
Non-employer Pension Revenue	142,797	135,736
Gain on Disposal of Assets	0	4,010
Interest	<u>7,766</u>	<u>9,657</u>
Total General Revenues	<u>\$1,415,335</u>	<u>\$1,322,916</u>
Total Revenues	<u>\$1,429,685</u>	<u>\$1,352,675</u>
EXPENSES:		
Personnel Services	\$1,279,448	\$1,054,324
Operating Services	109,751	96,977
Materials & Supplies	126,286	91,890
Travel & Other Charges	<u>156,349</u>	<u>79,982</u>
Total Expenses	<u>\$1,671,834</u>	<u>\$1,323,173</u>
Change in Net Position	<u>\$ (242,149)</u>	<u>\$ 29,502</u>

- The Assessor's assets exceeded its liabilities by \$915,178 (net position) for the year.
- Unrestricted net position of \$804,285 represents the portion available to maintain the Assessor's obligation to both citizens and creditors.

General Fund Budgetary Highlights

The General Fund is the Assessor's operating fund and the source of funds for the day-to-day operations. Actual revenues were \$6,888 more than the budgeted amount and actual expenditures were less than the budgeted amount by \$3,513 for the year.

Economic Factors and Next Year's Budget

The primary revenue source for the Assessor is property taxes. This tax is not subject to changes in the economy, in the short-term. However, in the long-term, significant increases or decreases in the tax base would be evident. The budget for FY 2020 should not change significantly from the FY 2019 budget.

Contacting the Parish Assessor

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Assessor's finances and to show the Assessor's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Assessor at 400 S. Capitol Street, Room 106, Many, LA 71449.

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447
www.tcbtcpa.com

INDEPENDENT AUDITOR'S REPORT

Sabine Parish Tax Assessor
400 South Capitol Street, Room 106
Sabine Parish Courthouse, Main Floor
Many, Louisiana 71449

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund information of the Sabine Parish Assessor (Assessor), a component unit of the Sabine Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 1 through 4 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 Management's Discussion and Analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Assessor's primary government. The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer listed as other required supplementary information in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relate 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2020, on our consideration of the Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Assessor's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report dated June 8, 2020, on the results of the statewide agreed-upon procedures in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

June 8, 2020

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Sabine Parish Assessor
Statement of Net Position
December 31, 2019

	<u>Governmental Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$1,214,970
Revenue Receivable	1,241,258
Prepaid Expenses	<u>15,492</u>
Total Current Assets	\$2,471,720
Non-current Assets-	
Capital Assets (Net)	<u>110,893</u>
Total Assets	\$2,582,613
DEFERRED OUTFLOWS OF RESOURCES:	\$ <u>552,160</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	\$ 12,091
Payroll Liabilities	<u>9,256</u>
Total Current Liabilities	\$ <u>21,347</u>
Non-current Liabilities-	
Other Post-employment Benefits	\$1,718,080
Net Pension Liability	<u>272,016</u>
Total Non-current Liabilities	\$ <u>1,990,096</u>
Total Liabilities	\$ <u>2,011,443</u>
DEFERRED INFLOWS OF RESOURCES:	\$ <u>208,152</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 110,893
Unrestricted	<u>804,285</u>
Total Net Position	\$ <u>915,178</u>

See independent auditors' report and notes to financial statements.

Sabine Parish Assessor
Statement of Activities
December 31, 2019

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges</u>	<u>Operating Grants</u>	<u>Revenue and Changes</u>
		<u>for</u>	<u>and</u>	<u>in Net Position</u>
		<u>Services</u>	<u>Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
Personnel Services	\$1,279,448	\$14,350	\$0	\$(1,265,098)
Operating Services	109,751	0	0	(109,751)
Materials & Supplies	126,286	0	0	(126,286)
Travel & Other Charges	<u>156,349</u>	<u>0</u>	<u>0</u>	<u>(156,349)</u>
 Total Governmental Activities	 <u>\$1,671,834</u>	 <u>\$14,350</u>	 <u>\$0</u>	 <u>\$(1,657,484)</u>
 General Revenues:				
Taxes:				
Property Taxes				\$ 1,225,312
State Revenue Sharing				39,460
Non-employer Pension Revenue				142,797
Interest Income				<u>7,766</u>
 Total General Revenues				 <u>\$ 1,415,335</u>
 Change in Net Position				 \$ (242,149)
 Net Position January 1, 2019				 <u>1,157,327</u>
 Net Position December 31, 2019				 <u>\$ 915,178</u>

See independent auditors' report and notes to financial statements.

FUND FINANCIAL STATEMENTS

Sabine Parish Assessor
Balance Sheet-Governmental Fund
December 31, 2019

Assets:

Cash & Cash Equivalents	\$1,214,970
Revenue Receivable	1,241,258
Prepaid Expenses	<u>15,492</u>
Total Assets	<u>\$2,471,720</u>

Liabilities:

Accounts Payable	\$ 12,091
Payroll Liabilities	<u>9,256</u>
Total Liabilities	<u>\$ 21,347</u>

Fund Balance:

Nonspendable- Prepaid Expenses	\$ 15,492
Unassigned	<u>2,434,881</u>
Total Fund Balance	<u>\$2,450,373</u>
Total Liabilities and Fund Balance	<u>\$2,471,720</u>

See independent auditors' report and notes to financial statements.

Sabine Parish Assessor
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
December 31, 2019

Total Fund Balance for the Governmental Fund at December 31, 2019	\$ 2,450,373
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the fund financial statements. Those assets consist of:	
Automobiles	\$ 103,287
Building Improvements	41,468
Furniture, Fixtures & Equipment	520,898
Less, Accumulated Depreciation	<u>(554,760)</u>
	110,893
Deferred Outflows of Resources used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet-	552,160
Long-term Liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet-	
Other Post-employment Benefits	(1,718,080)
Net Pension Liability	(272,016)
Deferred Inflows of Resources are not due and payable in in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet-	<u>(208,152)</u>
Total Net Position of Governmental Activities at December 31, 2019	\$ <u>915,178</u>

See independent auditors' report and notes to financial statements.

Sabine Parish Assessor
Statement of Revenues, Expenditures and Changes in Fund Balance-
Governmental Fund
Year Ended December 31, 2019

REVENUES:

Taxes-	
Ad Valorem	\$1,225,312
State Revenue Sharing	39,460
Charges for Services	14,350
Miscellaneous-	
Interest	<u>7,766</u>
Total Revenues	<u>\$1,286,888</u>

EXPENDITURES:

Current-	
General Government-	
Personnel Services	\$ 991,087
Operating Services	109,751
Materials & Supplies	82,480
Travel & Other Charges	<u>143,169</u>
Total Expenditures	<u>\$1,326,487</u>

Deficiency of Revenues over Expenditures	\$ (39,599)
Fund Balance-Beginning of Year	<u>2,489,972</u>
Fund Balance-End of Year	<u>\$2,450,373</u>

See independent auditors' report and notes to financial statements.

Sabine Parish Assessor
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
for the Year Ended December 31, 2019

Total Net Change in Fund Balance at December 31, 2019, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (39,599)
--	-------------

The Change in Net Position reported for Governmental
Activities in the Statement of Activities is different because:

Depreciation expense is reported in the government-wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental fund. Current year depreciation expense is	(43,806)
--	----------

Some revenues reported in the Statement of Activities do not provide
current financial resources and these are not reported as revenues in
governmental funds. Some expenses reported in the Statement of
Activities do not require the use of current financial resources and,
therefore, are not reported as expenditures in governmental funds.
These timing differences are summarized below:

Non-Employer Pension Revenue	142,797
Pension Expense	(157,018)

Other Post-employment Benefits are reported in the Government-wide Statement of Activities, but are not reported in the Fund Financial Statements. Current year Net Pension Obligation is	<u>(144,523)</u>
---	------------------

Total changes in Net Position at December 31, 2019 per Statement of Activities	\$(242,149)
---	-------------

NOTES TO FINANCIAL STATEMENTS

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2019

Introduction:

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

The Assessor's office is located in the Sabine Parish Courthouse in Many, 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.

1. Summary of Significant Accounting Policies:

The accompanying general purpose financial statements of the Sabine Parish Assessor have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity-

As the governing authority of the parish, for reporting purposes, the Police Jury is the financial reporting entity for Sabine Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2019

2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because of item number 2 above, the Sabine Parish Assessor was determined to be a component unit of the Police Jury, the financial reporting entity. The accompanying financial statements present information only on the fund maintained by the Assessor and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Assessor's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. Fund Accounting-

The accounts of the Assessor are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Assessor maintains only one fund. It is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2019

The major fund of the Assessor is described below:

Governmental Fund-

General Fund

The General Fund is the general operating fund of the Assessor. It is used to account for all financial resources except those required to be accounted for in another fund.

D. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Assessor as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Assessor considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Assets, Liabilities and Equity-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Assessor.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2019

Capital Assets-

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. 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 \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

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

Furniture, fixtures and equipment	5-10 years
Leasehold Improvements	10-20 years

Compensated Absences-

Employees of the Sabine Parish Assessor do not accrue or "carry forward" any type of leave from year to year. Therefore, no entry is made to record compensated absences.

Pension-

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. See note 8, for more information on the individual retirement system.

Deferred Outflows/Inflows of Resources-

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2019

Equity Classification-

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Non-spendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2019

The General Fund has a non-spendable fund balance of \$15,492 which represents prepaid expenses. The remaining fund balance of \$2,434,881 is classified as unassigned. If applicable, the Assessor would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

F. Budget-

Prior to the beginning of each fiscal year, the Sabine Parish Assessor adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

G. Estimates-

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

2. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2019 is as follows:

Governmental Activities	Balance 01-01-19	Increases	Decreases	Balance 12-31-19
Capital Assets:				
Automobiles	\$103,287	\$ 0	\$0	\$103,287
Building improvements	41,468	0	0	41,468
Furniture, fixtures, equipment	<u>520,898</u>	<u>0</u>	<u>0</u>	<u>520,898</u>
Total	<u>\$665,653</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$665,653</u>
Less: Accumulated Depreciation:				
Automobiles	\$ 53,387	\$ 18,386	\$0	\$ 71,773
Building improvements	20,521	4,080	0	24,601
Furniture, fixtures, equipment	<u>437,046</u>	<u>21,340</u>	<u>0</u>	<u>458,386</u>
Total	<u>\$510,954</u>	<u>\$ 43,806</u>	<u>\$0</u>	<u>\$554,760</u>
Net Capital Assets	<u>\$154,699</u>	<u>\$(43,806)</u>	<u>\$0</u>	<u>\$110,893</u>

Depreciation expense of \$43,806 was charged to the general government function.

3. Expenses Paid by the Police Jury:

Certain expenses of the Assessor's office are paid by the Police Jury. In addition to furnishing the building where the Assessor's office is located, the Police Jury pays all utility bills, most insurance, and furnishes some of the equipment in the Assessor's office.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2019

4. Ad Valorem Taxes:

The Assessor levies taxes on real and business personal property located within the boundaries of Sabine Parish. Property taxes are levied by the Assessor on property values assessed by the Assessor and approved by the State of Louisiana Tax Commission.

The Sabine Parish Sheriff's office bills and collects property taxes for the Assessor. Collections are remitted to the Assessor monthly. The Assessor recognizes property tax revenues when levied.

Property Tax Calendar

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes are due	December 31
Penalties and interest added	January 31
Lien date	January 31
Tax sale	May 17

The Assessor is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose, or, in the aggregate for all purposes 25% of the assessed valuation for the payment of principal and interest on long-term debt after the approval by the voters of the Parish. Property taxes are recorded as receivables and revenues in the year assessed.

Assessed values are established by the Sabine Parish Tax Assessor each year on a uniform basis at the following ratios to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2019. Total assessed value was \$216,843,226 in 2019. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$39,734,934 of the assessed value in 2019. For the year ended December 31, 2019, taxes of 5.72 mills were levied on the property. Taxes collected totaled \$1,225,312.

The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Indigo Minerals, LLC	\$10,694,160	4.9%
GEP Haynesville, LLC	10,027,420	4.6%
Vine Oil & Gas LP	9,282,660	4.3%
Chesapeake Operating, LLC	7,851,070	3.6%
Enable Midstream Partners	6,964,730	3.2%

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2019

5. Cash and Cash Equivalents:

The cash and cash equivalents of the Assessor are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Assessor will not be able to recover its deposits. 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 or exceed 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Assessor that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Assessor's name.

Interest Rate Risk. This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity is its fair value to changes in market interest rates. The Assessor does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, as a means of offsetting exposure to interest rate risk, the Assessor diversifies its investments by security type and institution.

For reporting purposes, cash and cash equivalents include demand deposits and time deposits. Cash and cash equivalents are stated at cost, which approximates market. At December 31, 2019, the Assessor had cash and cash equivalents (collected bank balances) totaling \$1,233,772, of which \$684,777 was secured by FDIC insurance and the remaining \$548,995 was secured by pledged securities.

6. Receivables:

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used. The following is a summary of receivables at December 31, 2019:

<u>Class of Receivable</u>	<u>General Fund</u>
Ad Valorem Taxes	\$1,240,835
Interest	<u>423</u>
Total	<u>\$1,241,258</u>

7. Employees Retirement System:

Plan Description

Substantially all employees of the Sabine Parish Assessor's office are members of the Louisiana Assessors Retirement Fund (Fund), a cost-sharing multiple-employer defined benefit pension plan administered by a separate board of Trustees. The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund. The report may be obtained by writing to the Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, LA 70898-4699, or by calling (225) 928-8886.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2019

Benefit Provided

The following is a description of the fund and its benefits and is provided for general information purposes only. Participants should refer to the Plan Agreement for more complete information.

Retirement

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

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

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

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

Death Benefits

As set forth in R.S. 11:1441, benefits for members who die in service are as follows: 1) If a member of the Fund dies in service with less than 12 years of creditable service and leaves a surviving spouse, their accumulated contributions shall be paid to the surviving spouse. 2) If a member dies and has 12 or more years of creditable service and is not eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the joint and survivorship amounts provided in Option 2 as provided for in R.S. 11:1423, which shall cease upon a subsequent marriage, or a refund of the member's accumulated contributions, whichever the spouse elects to receive. 3) If a member dies and is eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the Option 2 benefits provided for in R.S. 11:1423, which shall not terminate upon a subsequent marriage. 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.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2019

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

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

Back-Deferred Retirement Option Plan

In lieu of receiving a normal retirement benefit pursuant to R.S. 11:1421 through 1423, an eligible member of the Fund may elect to retire and have their benefits structured, calculated, and paid as provided in this section. An active, contributing member of the Fund shall be eligible for Back-DROP only if all of the following apply: 1) the member has accrued more service credit than the minimum required for a normal retirement benefit, 2) the member has attained an age that is greater than the minimum required for eligibility, and 3) 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 thirty-six months or the number of months of creditable service accrued after the member first attained eligibility for normal retirement. The Back-DROP period shall be comprised of the most recent calendar days corresponding to the member's employment for which service credit in the Fund accrued.

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

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 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.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2019

Excess Benefit Plan

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

Contributions

According to state statute, plan members are required to contribute 8.0% of their annual covered salary and the employers are required to contribute at an actuarially determined rate each year. For the year ending September 30, 2019, the actual employer contribution rate was 8.0% of annual covered payroll.

In accordance with state statute, the System receives one-fourth of one percent of the ad valorem taxes assessed in each parish, plus state revenue sharing funds appropriated by the State Legislature. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions were recognized as revenue during the year ended September 30, 2019 and excluded from pension expense.

According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee. Although the direct employer actuarially required contribution for the fiscal year ended September 30, 2019, was 9.38%, the actual employer contribution rate for the fiscal year ended September 30, 2019, was 8.0%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set one year prior to the year effective.

The Assessor's contractually required composite contribution rate for the year ended December 31, 2019 was 8.0% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Assessor were \$36,894 for the year ended December 31, 2019.

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

At December 31, 2019, the Assessor reported a liability of \$272,016 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of September 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The 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 contributions of all participating employers, actuarially determined. At September 30, 2019, the Assessor's proportion was 1.03122%, which was an increase of .02625% from its proportion measured as of September 30, 2018.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2019

For the year ended December 31, 2019, the Assessor recognized pension expense of \$192,332 plus or minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$1,580.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,084	\$128,338
Changes in assumption	287,264	0
Net difference between projected and actual earnings on pension plan investments	0	31,583
Changes in employer's proportion of beginning net pension liability	6,596	5,427
Differences between employer contributions and proportionate share of employer contributions	0	617
Subsequent Measurement Contributions	9,224	0
Total	\$313,168	\$165,965

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

Year ended December 31:	
2020	\$ 8,631
2021	21,717
2022	52,327
2023	48,478
2024	6,825
Total	\$137,978

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2019

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2019 are as follows:

Valuation Date	September 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.0%, net of pension plan investment expense, including inflation.
Projected Salary Increases	5.75% (2.20% Inflation)
Mortality Rates	The RP 2000 Healthy Annuitant Table (set forward 1 year for males and females) projected to 2030. RP-2000 Employee Table set back 4 years for males and 3 years for females. The RP 2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disabled annuitants.
Expected Remaining Service Lives	6 years

The actuarial assumptions used were set based upon an experience study performed on plan data for the period October 1, 2009 through September 30, 2014, unless otherwise specified in this report. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience. All assumptions selected were determined to be reasonable and represent expectations of future experience for the fund.

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, 2019, are summarized in the following table.

<u>Asset Class</u>	<u>Expected Portfolio 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%

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2019

The long-term expected rate of return selected for this report by the Fund was 6.0%. 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 other assumptions and methods as specified in this report, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Thus, the discount rate used to measure the total pension liability was 6.0%.

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

The following presents the Assessor's proportionate share of the Net Pension Liability using the discount rate of 6.0%, as well as what the Assessor's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.0%) or one percentage-point higher (7.0%) than the current rate:

	1.0% Decrease (5.0%)	Current Discount Rate (6.0%)	1.0% Increase (7.0%)
Employer's proportionate share of net pension liability	\$772,895	\$272,016	\$(157,291)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Louisiana Assessors' Retirement Fund and Subsidiary Annual Financial Report at www.la.la.gov.

Payables to the Pension Plan

As of December 31, 2019, there was no payable to the pension plan.

8. Post-employment Benefits Other Than Pensions:

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

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2019

8. Post-employment Benefits Other Than Pensions (continued):

Benefits Provided – Medical/dental/vision benefits are provided to employees upon actual retirement. The employer pays a 100% of the medical, dental, and vision coverage for the retiree only (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are 55 years of age and 15 years of service.

Employees covered by benefit terms – At January 1, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>8</u>
	<u>11</u>

Total OPEB Liability

The Assessor's total OPEB liability of \$1,718,080 was measured as of December 31, 2019 and was determined by an actuarial valuation as of January 1, 2019.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.3%
Salary increases	3.0%, including inflation
Healthcare cost trend rates	4.3% Non-Medicare medical
	4.7% Medicare medical
	3.41% Dental

The discount rate of 2.74% was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2019, the end of the applicable measurement period.

Mortality rates were based on the RP-2014 Table using scale MP-2019.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2018 to January 1, 2019.

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2019

8. Post-employment Benefits Other Than Pensions (continued):

Changes in the Total OPEB Liability

Balance at January 1, 2019	<u>\$1,347,820</u>
Changes for the year:	
Service cost	80,228
Interest	58,178
Differences between expected and actual experience	250,186
Benefit payments and net transfers	<u>(18,332)</u>
Net changes	<u>370,260</u>
Balance at December 31, 2019	<u><u>\$1,718,080</u></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 (1.74%) or 1-percentage-point higher (3.74%) than the current discount rate:

	1.0% Decrease (1.74%)	Current Discount Rate (2.74%)	1.0% Increase (3.74%)
Total OPEB liability	\$2,127,805	\$1,718,080	\$1,402,500

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

	1.0% Decrease	Current Trend	1.0% Increase
Total OPEB liability	\$1,406,878	\$1,718,080	\$2,149,118

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

For the year ended December 31, 2019, the Assessor recognized OPEB expense of \$162,855. At December 31, 2019, the Assessor reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$42,187
Changes of assumptions	238,992	0
Total	<u>\$238,992</u>	<u>\$42,187</u>

Sabine Parish Assessor
Notes to Financial Statements
December 31, 2019

8. Post-employment Benefits Other Than Pensions (continued):

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

Years ending June 30:	
2020	\$ 24,449
2021	24,449
2022	24,449
2023	24,449
2024	24,449
Thereafter	<u>74,560</u>
Total	<u>\$196,805</u>

9. Deferred Outflows/Inflows of Resources:

The totals reported for deferred outflows/inflows of resources on the statement of net position are comprised of the following:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Retirement System	\$313,168	\$(165,965)
Other Post-employment Benefits	<u>238,992</u>	<u>(42,187)</u>
Total	<u>\$552,160</u>	<u>\$(208,152)</u>

10. Litigation:

The Sabine Parish Assessor is not a party to any litigation seeking damages at December 31, 2019.

11. Subsequent Events:

Management has evaluated events through June 8, 2020, the date which the financial statements were available for issue.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Assessor operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Assessor anticipates this could negatively affect its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

Sabine Parish Assessor
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES:			
Taxes-			
Ad Valorem	\$1,225,000	\$1,225,312	\$ 312
State Revenue Sharing	40,000	39,460	(540)
Charges for Services	7,000	14,350	7,350
Miscellaneous	<u>8,000</u>	<u>7,766</u>	<u>(234)</u>
Total Revenues	<u>\$1,280,000</u>	<u>\$1,286,888</u>	<u>\$ 6,888</u>
EXPENDITURES:			
Personnel Services	\$ 980,200	\$ 991,087	\$(10,887)
Operating Services	284,800	252,920	31,880
Materials & Supplies	55,000	82,480	(27,480)
Capital Expenditures	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Total Expenditures	<u>\$1,330,000</u>	<u>\$1,326,487</u>	<u>\$ 3,513</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (50,000)	\$ (39,599)	\$ 10,401
Fund Balance-Beginning of Year	<u>2,489,972</u>	<u>2,489,972</u>	<u>0</u>
Fund Balance-End of Year	<u>\$2,439,972</u>	<u>\$2,450,373</u>	<u>\$ 10,401</u>

See independent auditors' report and notes to financial statements.

Sabine Parish Assessor
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2019

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
2015	1.015744%	\$531,562	\$430,400	(123)%	98.99%
2016	1.016784%	\$358,794	\$450,973	(80)%	90.68%
2017	1.053096%	\$184,788	\$448,038	(41)%	95.61%
2018	1.004970%	\$195,370	\$454,271	(43)%	95.46%
2019	1.031220%	\$272,016	\$461,177	(59)%	94.12%

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

Sabine Parish Assessor
Schedule of Employer's Contributions
For the Year Ended December 31, 2019

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$58,104	\$58,104	\$0	\$430,400	13.05%
2016	\$56,825	\$56,825	\$0	\$450,973	12.60%
2017	\$42,772	\$42,772	\$0	\$448,038	9.55%
2018	\$36,342	\$36,342	\$0	\$454,271	8.00%
2019	\$36,894	\$36,894	\$0	\$461,177	8.00%

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

Sabine Parish Assessor
Schedule of Changes in Total OPEB Liability
For the Year Ended December 31, 2019

	2019	2018
Service Cost	\$ 80,228	\$ 68,233
Interest on Total OPEB Liability	58,178	46,223
Effect of Plan Changes	0	0
Effect of Economic/Demographic Gains (Losses)	0	(54,415)
Effect of Assumption Changes or Inputs	250,186	21,821
Benefit Payments	(18,332)	(18,825)
Net Change in Total OPEB Liability	370,260	63,037
Total OPEB Liability, beginning	1,347,820	1,284,783
Total OPEB Liability, ending	1,718,080	1,347,820
Covered payroll	\$ 577,129	\$ 577,129
Total OPEB liability as a % of covered payroll	297.69%	233.54%

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

See independent auditors' report and notes to financial statements.

Sabine Parish Assessor
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2019

Agency Head Name: Cindy Manasco, Assessor

<u>Purpose</u>	<u>Amount</u>
Salary	\$131,797
Statutory Allowance	13,180
Benefits- Retirement	23,196
Benefits- Deferred Comp	7,000
Benefits- Insurance Premiums	24,753
Benefits- Taxable Personal Use of Vehicle	756
Benefits- Medicare Taxes	2,369
Hotel- Seminar/Conference	639

See independent auditor's report.

SUPPLEMENTARY INFORMATION

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447
www.tcbtcpa.com

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*

Sabine Parish Tax Assessor
400 South Capitol Street, Room 106
Sabine Parish Courthouse, Main Floor
Many, Louisiana 71449

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and major fund as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Sabine Parish Assessor’s (Assessor) basic financial statements and have issued our report thereon dated June 8, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

June 8, 2020

Sabine Parish Assessor
Schedule of Audit Results
Year Ended December 31, 2019

I. Summary of Audit Results

1. An unmodified opinion was issued on the financial statements of the Sabine Parish Assessor as of and for the year ended December 31, 2019.
2. The audit did not disclose any material weaknesses in the internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None identified.

III. PRIOR YEAR AUDIT FINDINGS

None identified.

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447
www.tcbtcpa.com

INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING
STATEWIDE AGREED-UPON PROCEDURES

Sabine Parish Tax Assessor
400 South Capitol Street, Room 106
Sabine Parish Courthouse, Main Floor
Many, Louisiana 71449

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

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

Our procedures and associated findings are enumerated below.

Written Policies and Procedures

1. We obtained and inspected the entity’s written policies and procedures and observed whether those written policies and procedures address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:
 - ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
 - a. *Procedure Results – No written policies and procedures regarding disaster recovery/business continuity.*

Bank Reconciliations

2. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We identified the entity's main operating account. We selected the entity's main operating account and randomly selected four additional accounts (or all if less than five). We randomly selected one month from the fiscal period, and obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
 - Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
 - Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g. initialed and dated, electronically logged); and
 - Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
 - a) *Procedure Results – We noted one exception. There was no evidence that management reviewed the bank reconciliations.*

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

3. We obtained 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. We obtained management's representation that the listing is complete.
4. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), and obtained supporting documentation, and:
 - We observed 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.
 - We observed that finance charges and late fees were not assessed on the selected statements.
5. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals.
 - a) *Procedure Results – The following exception was noted: Original receipts were not provided for four of the charges on the credit card statement that were sampled.*

Travel and Expense Reimbursement

6. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete.

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

- If reimbursed using a per diem, we agreed the reimbursement rate to those rates established by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- We observed that each reimbursement was supported by documentation of the business/public purpose and other documentation required by written policy.
- We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

a) *Procedure Results – The following exception was noted: The travel reimbursement sampled did not contain evidence of management review and approval.*

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 the Statewide Agreed-Upon Procedures. 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.

This report is intended solely for the information and use of the Sabine Parish Assessor and the Louisiana Legislative Auditor, and is not intended to be, and should not be, used by anyone other than the specified parties.

Respectfully,

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

June 8, 2020

Sabine Parish Assessor
Management's Response to Exceptions to
Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2019

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

- Item 1: Management will amend its policies and procedures to include those that adequately address Disaster Recovery/Business Continuity.
- Item 2: Management will amend its procedures to require evidence of review of bank reconciliations by management not involved in the transactions associated with the bank account.
- Item 5: Management will amend its procedures to enforce its policy that credit card payments aren't made without obtaining an invoice or receipt for each transaction and until proper review and approval has been documented.
- Item 6: Management will amend its procedures to enforce its policy that travel reimbursements aren't made until proper review and approval has been documented.