

VERNON PARISH ASSESSOR
LEESVILLE, LOUISIANA

ANNUAL FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2016

VERNON PARISH ASSESSOR
Leesville, Louisiana

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
Independent Auditor’s Report		1-3
Basic Financial Statements		
Statement of Net Position	A	5
Statement of Activities	B	6
Balance Sheet – Governmental Funds	C	7
Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position	D	8
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	E	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	10
Notes to the Financial Statements		12-24
	<u>Schedule</u>	
Required Supplemental Information		
General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	1	26
Other Postemployment Benefits (OPEB) Funding Schedule	2	27
Schedule of the Assessor’s Proportionate Share of the Net Pension Liability	3	28
Schedule of the Assessor’s Pension Contribution	4	29
Other Supplemental Schedules		
Schedule of Compensation, Benefits and Other Payments to Agency Head	5	31
Other Reports		
Schedule of Prior Year Audit Findings	6	33
Schedule of Current Year Audit Findings and Management’s Response	7	34
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>		35-36

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INDEPENDENT AUDITOR'S REPORT

The Honorable Michael Bealer, CLA
Vernon Parish Assessor
Leesville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Vernon Parish Assessor, a component unit of the Vernon Parish Police Jury, as of and for the year ended December 31, 2016, 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 Assessor's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Vernon Parish Assessor as of December 31, 2016, 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, budgetary comparison information, other postemployment benefits funding schedule, the schedule of the Assessor's proportionate share of the net pension liability and the schedule of the Assessor's pension contribution on pages 26 through 29 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 the 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 inquires 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.

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

Other Information

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

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

The Honorable Michael Bealer, CLA
Vernon Parish Assessor
Leesville, Louisiana
Page 3

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2017, on our consideration of the Vernon Parish Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Vernon Parish Assessor's internal control over financial reporting and compliance.

Handwritten signature of J. M. Windham, CPA in black ink.

DeRidder, Louisiana
June 8, 2017

BASIC FINANCIAL STATEMENTS

Statement of Net Position
December 31, 2016

ASSETS	Governmental Activities
Cash and cash equivalents	\$ 326,111
Receivables:	
Ad valorem taxes	831,992
Capital assets being depreciated - net	29,497
Total assets	\$ 1,187,600
DEFERRED OUTFLOWS OF RESOURCES	
Prepaid maintenance	\$ 4,175
Pension contributions	209,026
Total deferred outflows	\$ 213,201
Total assets and deferred outflows of resources	\$ 1,400,801
LIABILITIES	
Accounts payable	\$ 3,149
Salaries payable	18,117
Payroll benefits payable	866
Retirement payable	6,522
Long-term liabilities	
Due within one year	151,109
Due in more than one year	1,157,764
Total liabilities	\$ 1,337,527
DEFERRED INFLOWS OF RESOURCES	
Pension contributions	\$ 59,689
Total liabilities and deferred inflows of resources	\$ 1,397,216
NET POSITION	
Net investment in capital assets	\$ 29,497
Unrestricted	(25,912)
Total net position	\$ 3,585
Total liabilities, deferred inflows of resources and net position	\$ 1,400,801

The accompanying notes are an integral part of this statement.

Statement of Activities
For the Year Ended December 31, 2016

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expenses) Revenues and Changes in Net Position</u>
Program Activities		<u>Charges for Services</u>	<u>Governmental Activities</u>
Governmental activities:			
Taxation	\$ 1,009,519	\$ 2,912	\$ (1,006,607)
General revenues:			
Taxes:			
Ad valorem taxes			866,725
State revenue sharing			37,250
Investment earnings			1,663
Sale of assets			5,397
Nonemployer pension revenue			191,363
Total general revenues			<u>1,102,398</u>
Change in net position			95,791
Net position at beginning of year			<u>(92,206)</u>
Net position at end of year			<u><u>\$ 3,585</u></u>

The accompanying notes are an integral part of this statement.

Balance Sheet
Governmental Funds
December 31, 2016

	<u>Major Fund</u>
	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 326,111
Receivables:	
Ad valorem	831,992
Total assets	<u>\$ 1,158,103</u>
DEFERRED OUTFLOWS OF RESOURCES	
Prepaid maintenance	<u>\$ 4,175</u>
Total assets and deferred outflows of resources	<u>\$ 1,162,278</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 3,149
Salaries payable	18,117
Payroll benefits payable	866
Retirement payable	6,522
Total liabilities	<u>\$ 28,654</u>
Fund Balances:	
Nonspendable	
Not in spendable form	\$ 4,175
Unassigned	1,129,449
Total fund balances	<u>\$ 1,133,624</u>
Total liabilities and fund balances	<u>\$ 1,162,278</u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet
 to Statement of Net Position
 December 31, 2016

Total fund balance - total governmental funds		\$	1,133,624
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 balance sheets.			29,497
Pension-related changes in net pension liability that are only reported in the Statement of Net Position as deferred outflows			209,026
Pension-related changes in net pension liability that are only reported in the Statement of Net Position as deferred inflows			(59,689)
Other postemployment benefits (OPEB) obligations, capital lease payable and net pension liability are reported as long-term liabilities in the government wide financial statements but are not reported in the governmental fund financial statements.			
Due within one year	\$	(151,109)	
Due in more than one year		<u>(1,157,764)</u>	<u>(1,308,873)</u>
Net position of governmental activities		\$	<u>3,585</u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2016

	<u>Major Fund</u>
	<u>General Fund</u>
Revenues	
Taxes:	
Ad valorem	\$ 866,725
Intergovernmental:	
State revenue sharing	37,250
Charges for services	2,912
Investment income	1,663
Total revenues	<u>\$ 908,550</u>
Expenditures	
General government - taxation	
Salaries and related benefits	\$ 723,677
Conferences and travel	13,621
Office supplies	34,168
Contracted services	56,735
Debt service:	
Principal	7,142
Interest	395
Total expenditures	<u>\$ 835,738</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 72,812</u>
Other financing sources	
Sale of assets	<u>\$ 6,992</u>
Net change in fund balance	\$ 79,804
Fund balances at beginning of year	<u>1,053,820</u>
Fund balances at end of year	<u><u>\$ 1,133,624</u></u>

The accompanying notes are an integral part of this statement.

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, 2016

Net change in fund balances - total governmental funds	\$	79,804
Amounts reported for governmental activities in the statement of activities are different because:		
Pension expense is based on employer contributions in the governmental funds but is an actuarially calculated expense on the Statement of Activities.		118,459
Depreciation expense on capital assets is reported in the government- wide statement of activities and changes in net position, but that does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.		(14,756)
Governmental funds do not report net change in other postemployment benefits (OPEB) obligations. However this obligation does appear in the Statement of Net Position.		(93,263)
Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(1,595)
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of capital lease repayments.		<u>7,142</u>
Change in net position of governmental activities	\$	<u><u>95,791</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Vernon Parish Assessor
Leesville, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2016

INTRODUCTION

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

The Assessor's office is located in the Vernon Parish Police Jury's building in Leesville, Louisiana. The Assessor employs seven employees, including six deputies. In accordance with Louisiana law, the Assessor bases real property, movable property, and public service 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, 2016, there are 25,235 real property, movable property, and public service property assessments totaling \$75,811,744, \$43,107,510, and \$22,471,370 respectively. This represents an increase of 112 assessments and a decrease totaling \$706,841 over the prior year, caused primarily by a decrease in new housing along with a decrease in the oil and gas production in the parish during the year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Vernon Parish Assessor have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

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

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

C. FUND ACCOUNTING

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

Notes to Financial Statements (Continued)

Governmental Funds

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

General Fund - the primary operating fund of the Assessor and it accounts for all financial resources, except for those in another fund. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Assessor's policy.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

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

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

Revenues

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

Fees for preparing tax rolls are recorded in the year prepared. Interest income on time deposits is recorded when the time deposits have matured. Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Based on the above criteria, ad valorem taxes, state revenue sharing, and fees for preparing tax rolls have been treated as susceptible to accrual.

Notes to Financial Statements (Continued)

Expenditures

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

Government-Wide Financial Statements (GWFS)

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

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

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

The Assessor has not established a policy for use of the unrestricted fund balance, therefore it considers committed fund balances to be used first, then assigned fund balances to be used next and finally the unassigned fund balance will be used.

E. BUDGETS

The assessor uses the following budget practices:

1. The Assessor prepares a proposed operating budget no later than fifteen days prior to the beginning of each fiscal year. The operating budget includes proposed expenditures and the means of financing them. For the fiscal year beginning January 1, 2016 and ending December 31, 2016 the budget was prepared on December 15, 2015 and the public hearing was called for. After the public hearing was held, the budget was adopted by the assessor.
2. Budgetary appropriations lapse at the end of each fiscal year.
3. The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the assessor.
4. Amendments to the budget are approved by the assessor. The original budget is amended as necessary and all amendments are reflected in the budget comparisons in the financial statements.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.

Notes to Financial Statements (Continued)

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the assessor may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. The Assessor has not adopted a deposit or investment policy that limits the government's allowable deposits or investments and addresses specific types of risk to which the government is exposed.

G. PREPAID ITEMS

Prepayments for maintenance applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements

H. CAPITAL ASSETS

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.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Improvements	5-20 years
Machinery and equipment	3-20 years
Furniture and fixtures	5-10 years
Vehicles	5 years

I. COMPENSATED ABSENCES

Vacation Leave Policy

0-6 months	0
6 months to 1 year	1 week
1 year to 5 years	2 weeks
5 years to 15 years	3 weeks
15 years or more	4 weeks

No more than 2 (two) employees at a time will schedule time off
 Only 1 (one) field person at a time shall schedule time off

Sick Leave.....	10 days per year
Allowed Time.....	3 days per year

Earned Time

Employees receive credit for extra time worked to be used for extra time off with the approval of the Assessor.

Vernon Parish Assessor
Leesville, Louisiana

Notes to Financial Statements (Continued)

Earned time is defined as: Time worked over and beyond normal working hours (7:30 AM – 4:00 PM) or on weekends. There must be a need for earned time, and before time is worked it must be approved by the Assessor. To use earned time it must be approved by the Assessor.

No compensation is to be paid for earned time.

Vacation time, sick leave, allowed time or earned time may not be carried form one year to another.

Only unused vacation time will be paid upon termination of employment and only for the current year, no vacation time will carry over to the following year.

In the event that an employee would use all of the above leave and would require additional leave then that employee may be placed on leave without pay.

The Assessor reserves the right to modify all of the above when the circumstance warrants.

J. FUND BALANCES

Nonspendable The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. As for the Vernon Parish Assessor the nonspendable fund balance consists of prepaid amounts of maintenance.

Unassigned Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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 require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

M. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana Assessors’ Retirement Fund and Subsidiary (the Fund) and additions to/deductions from the Fund’s fiduciary net positions have been determined on the same basis as they are reported by the Fund. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements.

Notes to Financial Statements (Continued)

Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing the Fund. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the Assessor's proportionate share of the plans net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

N. 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.

O. IMPACT OR RECENTLY ISSUED ACCOUNTING PRINCIPLES

As of January 1, 2015, the Assessor implemented Governmental Accounting Standards Board (GASB) Statement 68 *Accounting and Financial Reporting for Pensions – Amendment of GASB Statement 27*, which resulted in a cumulative change in accounting principle and also a restatement of net position.

2. LEVIED TAXES

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

The Vernon Parish Sheriff and Ex-Officio Tax Collector 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, 2016
Levy date	June 30, 2016
Tax bills mailed	October 15, 2016
Total taxes are due	December 31, 2016
Penalties & interest due	January 31, 2017
Lien date	January 31, 2017
Tax sale	May 31, 2017

For the year ended December 31, 2016, taxes of 5.94 mills were levied on property with an assessed valuation totaling \$140,065,223, and were dedicated as follows:

<u>Taxes due for:</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General Operations	5.94	5.94	Renewed Annually

All trade and property tax receivables are shown net of an allowance for uncollectibles. Property taxes are collected and remitted by the local sheriff. If taxes are not paid, a sheriff's sale is held and the property is sold to satisfy the taxes due on the property. Due to this, the majority, if not all, property taxes are collected, therefore no allowance account for uncollectibles has been established.

Vernon Parish Assessor
Leesville, Louisiana

Notes to Financial Statements (Continued)

3. CASH AND CASH EQUIVALENTS

At December 31, 2016, the Assessor has cash and cash equivalents (book balances) totaling \$326,111 as follows:

Demand deposits	\$ 32,828
Money market accounts	178,719
Time deposits	114,539
Petty cash	25
Total	<u>\$ 326,111</u>

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.

At December 31, 2016, the Assessor has \$326,705 in deposits (collected bank balances). These deposits are secured from risk by \$326,705 of federal deposit insurance.

4. RECEIVABLES

The receivables of \$831,992 at December 31, 2016 are as follows:

<u>Class of Receivable</u>	
Taxes:	
Ad valorem	<u>\$ 831,992</u>

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2016, is as follows:

<u>Governmental Activities</u>	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016
Vehicle	\$ 94,723	\$ -	\$ 23,998	\$ 70,725
Machinery and equipment	128,191	-	9,299	118,892
Total	<u>\$ 222,914</u>	<u>\$ -</u>	<u>\$ 33,297</u>	<u>\$ 189,617</u>
Less accumulated depreciation				
Vehicle	\$ 58,927	\$ 9,179	\$ 22,399	\$ 45,707
Machinery and equipment	118,135	5,577	9,299	114,413
Total	<u>\$ 177,062</u>	<u>\$ 14,756</u>	<u>\$ 31,698</u>	<u>\$ 160,120</u>
Capital assets, net	<u>\$ 45,852</u>	<u>\$ (14,756)</u>	<u>\$ (1,599)</u>	<u>\$ 29,497</u>

6. PENSION PLAN

Plan Description. Substantially all employees of the Vernon 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.

Vernon Parish Assessor
Leesville, Louisiana

Notes to Financial Statements (Continued)

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3.34% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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.

Funding Policy. Plan members are required by state statute to contribute 8.0% of their annual covered salary and the Vernon Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 10.00% of annual covered payroll. Contributions to the System also include one-fourth of 1% (1% for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Vernon Parish Assessor is established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Vernon Parish Assessor's contributions to the System for the years ending December 31, 2016, 2015, and 2014, were \$56,883, \$60,344, and \$59,295, 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, 2016, the Assessor reported a liability of \$369,545 for its proportionate share of net pension liability. The net pension liability was measured as of September 30, 2016 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 assessors, actuarially determined. At September 30, 2016 the Assessor's proportion was 1.047256%, which was an increase of .014941% from its proportion measured as of September 30, 2015.

Vernon Parish Assessor
Leesville, Louisiana

Notes to Financial Statements (Continued)

For the year ended December 31, 2016, the Assessor recognized pension revenue of \$61,576. At December 31, 2016, the Assessor recognized deferred outflows of resources and deferred inflows of resources related to pension from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 25,603	\$ 38,121
Changes of assumptions	47,319	-
Net difference between projected and actual earnings on pension plan investments	111,755	-
Changes in proportion and differences between Assessor contributions and proportionate share of contributions	13,479	21,568
District's contributions subsequent to the measurement date	10,870	-
Total	<u>\$ 209,026</u>	<u>\$ 59,689</u>

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

Year ended December 31:	
2017	\$ 42,726
2018	42,726
2019	52,088
2020	(4,971)
2021	5,898
Total	<u>\$ 138,467</u>

Actuarial Methods and Assumptions

The current year actuarial assumptions utilized for this report are based on the assumptions used in the September 30, 2016 actuarial funding valuation, which (with exception of mortality) were based on results of an actuarial experience study for the period July 1, 2009 – June 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.

Additional information on the actuarial methods and assumptions used as of September 30, 2016 actuarial valuation follows:

Actuarial Cost Method	Entry age normal
Investment Rate of Return (discount rate)	7.00%, net of pension plan investment expense, including inflation.
Inflation Rate	2.50%

Vernon Parish Assessor
Leesville, Louisiana

Notes to Financial Statements (Continued)

Salary Increases	5.75%
Active Member 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 for females.

Discount Rate

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, 2016, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
	2016
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real estate	4.50%

The long-term expected rate of return selected for this report by the Fund was 7.00%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions and the other assumptions and methods as specified in this report, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Thus, the discount rate used to measure the total pension liability was 7.00%.

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

Vernon Parish Assessor
Leesville, Louisiana

Notes to Financial Statements (Continued)

years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2016 is 6 years.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the Fund calculated using the discount rate of 7.00%, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.00%, or one percentage point higher 8.00% than the current discount rate (assuming all other assumptions remain unchanged):

	Changes in Discount Rate:		
	1%	Current	1%
	Decrease	Discount	Increase
	6.00%	7.00%	8.00%
Net Pension Liability	\$ 781,103	\$ 369,545	\$ 16,647

7. OTHER POSTEMPLOYMENT BENEFITS

The Assessor provides certain continuing health care and life insurance benefits for the Assessor's retired employees. Substantially, all of the Assessor's employees become eligible for these benefits if they reach normal retirement age while working for the assessor. Those benefits for retirees are provided through Healthmart Inc. whose monthly premiums are paid by the Assessor. The Assessor pays the premiums on a "pay-as-you-go" basis. For the year ended December 31, 2016, there were five retirees and the costs of the benefits totaled \$54,137.

The Assessor's Annual Required Contributions ("ARC") is an amount actuarially-determined in accordance with GASB 45, which is being implemented prospectively for the year ended December 31, 2016. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize the beginning Unfunded Actuarial Accrued Liability ("UAAL") over a period of 30 years. A 30 year, closed amortization period has been used with a level-dollar amortization factor. The total ARC for the fiscal year 2016 is \$168,954 consists of normal cost of \$73,589 and amortization of UAAL of \$95,365.

The following table presents the Assessor's OPEB obligation for the year ended December 31, 2016.

Beginning OPEB obligation at January 1, 2016	\$ 842,356
Annual Required Contribution	168,954
Interest on prior year obligation	33,694
ARC adjustment	(55,248)
Annual OPEB cost	147,400
Less: current year premiums paid	(54,137)
Increase in net OPEB obligation	93,263
Ending net OPEB obligation at December 31, 2016	\$ 935,619

Utilizing the pay-as-you-go method, the Assessor contributed 36.70% of the annual OPEB cost during 2016.

Notes to Financial Statements (Continued)

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations. In the December 31, 2016 actuarial valuation, the "Closed Group" method was used, employees and retirees as of the valuation date were used and employees to be hired in the future were not considered. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 6.60% initially, reduced by decrements to an ultimate rate of 4.5% after seventy-five years. The RP-2000 mortality table projected to 2010 using Scale AA was used in the actuarial calculation. The remaining amortization period at December 31, 2016 was 23 years.

8. ACCOUNTS AND OTHER PAYABLES

The payables of \$28,654 at December 31, 2016, are as follows:

	<u>General Fund</u>
Accounts	\$ 3,149
Salaries payable	18,117
Payroll benefits payable	866
Retirement benefits payable	<u>6,522</u>
Total	<u>\$ 28,654</u>

9. DEFERRED COMPENSATION PLAN

The Vernon Parish Assessor offers its employees participation in the State of Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. The Plan, available to all Assessor employees, permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or proof of hardship.

The assets of the Plan are held in trust as described in the IRC section 457(g) for the exclusive benefit of the participants and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for the purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, and all other matters.

Complete disclosures relating to the plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana, 70804-9397.

Vernon Parish Assessor
Leesville, Louisiana

Notes to Financial Statements (Concluded)

10. EXPENDITURES OF THE ASSESSOR'S OFFICE PAID BY THE POLICE JURY

The Assessor's office is located in the Vernon Parish Police Jury owned building located at 301 E. Courthouse Street, Leesville, LA 71446. The cost of operating that building is paid by the Vernon Parish Police Jury.

11. LONG TERM OBLIGATIONS

	Capital Lease Payable	Other Postemployment Benefits	Net Pension Liability	Total
Long-term obligations at beginning of year	\$ 10,851	\$ 842,356	\$ 540,234	\$ 1,393,441
Additions and adjustments	-	147,400	(113,806)	33,594
Principal and other payments	(7,142)	(54,137)	(56,883)	(118,162)
Long-term obligations at end of year	\$ 3,709	\$ 935,619	\$ 369,545	\$ 1,308,873

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2016:

	Capital Lease Payable	Other Postemployment Benefits	Net Pension Liability	Total
Current portion	\$ 3,709	\$ 147,400	\$ -	\$ 151,109
Long-term portion	-	788,219	369,545	1,157,764
Total	\$ 3,709	\$ 935,619	\$ 369,545	\$ 1,308,873

The capital lease note payable outstanding at December 31, 2016, has note payments from 2016 to 2017, interest at the rate of 5.19%. The principal and interest payment for the next fiscal year is \$3,709 and \$56 respectively. The individual issue is as follows:

Note	Original Issue	Final Payment Due	Principal Outstanding
Capital lease payable	6/18/2014	6/18/2017	\$ 3,709
Year Ending December 31,	Principal Payments	Interest Payments	Total
2017	\$ 3,709	\$ 56	\$ 3,765

REQUIRED SUPPLEMENTAL INFORMATION

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
Revenues				
Taxes:				
Ad valorem	\$ 820,000	\$ 820,000	\$ 866,725	\$ 46,725
Intergovernmental:				
State revenue sharing	60,000	60,000	37,250	(22,750)
Charges for services	3,500	1,700	2,912	1,212
Investment income	1,000	1,400	1,663	263
Total revenues	<u>\$ 884,500</u>	<u>\$ 883,100</u>	<u>\$ 908,550</u>	<u>\$ 25,450</u>
Expenditures				
General government - taxation				
Salaries and related benefits	\$ 750,000	\$ 750,000	\$ 723,677	\$ 26,323
Conferences and travel	26,500	21,500	13,621	7,879
Office supplies	40,000	65,000	34,168	30,832
Contracted services	20,000	20,000	56,735	(36,735)
Debt service:				
Principal	-	7,142	7,142	-
Interest	-	358	395	(37)
Total expenditures	<u>\$ 836,500</u>	<u>\$ 864,000</u>	<u>\$ 835,738</u>	<u>\$ 28,262</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 48,000</u>	<u>\$ 19,100</u>	<u>\$ 72,812</u>	<u>\$ 53,712</u>
Other financing sources				
Sale of assets	<u>\$ -</u>	<u>\$ 7,000</u>	<u>\$ 6,992</u>	<u>\$ (8)</u>
Net change in fund balance	\$ 48,000	\$ 26,100	\$ 79,804	\$ 53,704
Fund balances at beginning of year	<u>1,026,500</u>	<u>1,053,820</u>	<u>1,053,820</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 1,074,500</u></u>	<u><u>\$ 1,079,920</u></u>	<u><u>\$ 1,133,624</u></u>	<u><u>\$ 53,704</u></u>

Other Postemployment Benefits (OPEB)
Funding Schedule
For the Year Ended December 31, 2016

The funded status of the plan as of December 31, 2016, was as follows:

Schedule of Funding Progress (4.0 % discount rate)

Actuarial Valuation Date	Actuarial Value of Assets	Discount Rate	Actuarial Accrued Liabilities (AAL) (1)	Unfunded Actuarial Accrued Liabilities (UAAL) (2)	Funded Ratio
January 1, 2014	-	4.00%	\$ 1,456,711	\$ 1,456,711	0.00%
January 1, 2015	-	4.00%	\$ 1,454,017	\$ 1,454,017	0.00%
January 1, 2016	-	4.00%	\$ 1,454,017	\$ 1,454,017	0.00%

(1) Actuarial Accrued Liability determined under the projected unit credit cost method.

(2) Actuarial Accrued Liability less Actuarial Value of Assets.

Schedule of the Assessor's Share of the Net Pension Liability
 For the Year Ended December 31, 2016

Louisiana Assessors' Retirement Fund and Subsidiary	December 31, 2015	December 31, 2016
Assessor's proportion of the net pension liability (asset)	1.032315%	1.047256%
Assessor's proportionate share of the net pension liability (asset)	\$ 540,234	\$ 369,545
Assessor's covered-employee payroll	\$ 446,990	\$ 449,537
Assessor's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	1.21%	.8220%
Plan fiduciary net position as a percentage of the total pension liability	85.57%	90.68%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the Assessor's Pension Contribution
For the Year Ended December 31, 2016

Louisiana Assessors' Retirement Fund and Subsidiary	December 31, 2015	December 31, 2016
Contractually required contribution	\$ 60,344	\$ 56,883
Contributions in relation to the contractually required contribution	60,344	56,883
Contribution deficiency (excess)	\$ -	\$ -
Assessor's covered-employee payroll	\$ 446,990	\$ 449,537
Contributions as a percentage of covered-employee payroll	13.50%	12.65%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

OTHER SUPPLEMENTAL SCHEDULES

Schedule of Compensation, Benefits and
Other Payments to Agency Head
For the Year Ended December 31, 2016

Agency Head Name - Michael Bealer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 111,346
Benefits - insurance	11,434
Benefits - retirement	9,314
Deferred compensation	5,796
Benefits - other	-
Car allowance	-
Vehicle provided by government	Yes
Cell phone	Yes
Dues	-
Vehicle rental	-
Per diem	500
Reimbursements	-
Travel	1,300
Registration fees	200
Conference travel	500
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-

OTHER REPORTS

Schedule of Prior Year Audit Findings
For the Year Ended December 31, 2016

There were no prior year audit findings as of December 31, 2015.

Schedule of Current Year Audit Findings and Management's Response
For the Year Ended December 31, 2016

There were no current year audit findings as of December 31, 2016.

Windham & Reed, L.L.C.

Certified Public Accountants

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John A. Windham, CPA
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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

The Honorable Michael Bealer, CLA
Vernon Parish Assessor
Leesville, Louisiana

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, the financial statements of the governmental activities and the major fund of Vernon Parish Assessor, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Vernon Parish Assessor's basic financial statements, and have issued our report thereon dated June 8, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

The Honorable Michael Bealer, CLA
Vernon Parish Assessor
Leesville, Louisiana

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.

A handwritten signature in black ink that reads "Jermu A. Windham, CPA". The signature is written in a cursive style with a large initial "J".

DeRidder, Louisiana
June 8, 2017