VERMILION PARISH ASSESSOR

FINANCIAL REPORT

DECEMBER 31, 2017

CONTENTS

BROUSSARD
POCHÉ, LLP
CERTIFIED PUBLIC ACCOUNTANTS

101 Independence Boulevard | Lafayette, LA 70506
(O) 337.988.4930 | (F) 337.984.2393
www.BroussardPoche.com

INDEPENDENT AUDITORS' REPORT

The Vermilion Parish Assessor
Abbeville, Louisiana

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Vermilion Parish Assessor as of and for the year ended December 31, 2017, and the related notes to the 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 an opinion 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 of 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 risk 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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Vermilion Parish Assessor as of December 31, 2017, and the respective change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

4112 West Congress Street | P.O. Box 61400 | Lafayette, LA 70596-1400 | 337.988.4930 | 146 West Main Street | New Iberia, LA 70560 | 337.364.4554 | 103 North Avenue F | Crowley, LA 70526 | 337.783.5693

Other-Matter

Required Supplementary Information

Accounting principles generally accepted in the United Statements of America require that the budgetary comparison information on pages 36 and 37, the schedules of proportionate share of the net pension liability on page 39 and the schedules of pension contributions on page 40 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 budgetary comparison information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to 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

The schedule of compensation, benefits and other payments to agency head 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 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 are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2018, on our consideration of the Vermilion Parish Assessor's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Vermilion Parish Assessor's internal control over financial reporting and compliance.

Broussard Poche', LLP

Lafayette, Louisiana
June 26, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Vermilion Parish Assessor's financial performance provides an overview of Vermilion Parish Assessor's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the Assessor's financial statements, which begin on page 8.

I. FINANCIAL HIGHLIGHTS

Vermilion Parish Assessor's deficit net position decreased by $90,888 or 16% as a result of 2017's operations. Vermilion Parish Assessor's total revenues were $949,816 compared to $1,034,895 in 2016, a decrease of $85,079 or 8.2%.

Total expenses for Vermilion Parish Assessor during the year ending December 31, 2017 were $1,040,704 compared to $1,010,308 last year, an increase of $30,396 or 3%.

II. USING THIS ANNUAL REPORT

This report consists of a series of financial statements. The statement of net position and the statement of activities (pages 8 and 9) provide information about Vermilion Parish Assessor's activities as a whole and present a longer-term view of Vermilion Parish Assessor's finances. Fund financial statements start on page 12. These statements tell how the services were financed in the short-term as well as what remains for future spending.

A. REPORTING VERMILION PARISH ASSESSOR AS A WHOLE

1. THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

Our analysis of Vermilion Parish Assessor as a whole begins on page 4. One of the most important questions asked about Vermilion Parish Assessor's finances is, "Is Vermilion Parish Assessor, as a whole, better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about Vermilion Parish Assessor as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report Vermilion Parish Assessor's net position and the changes in them. The net position, the difference between the assets and the liabilities, is one way to measure Vermilion Parish Assessor's financial position or financial health. Over time, increases or decreases in Vermilion Parish Assessor's net position is one indicator of whether its financial health is improving or deteriorating.

We report the fund maintained by the Vermilion Parish Assessor as governmental activities in the statement of net position and the statement of activities.

B. REPORTING VERMILION PARISH ASSESSORS'S MOST SIGNIFICANT FUNDS

1. FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the Vermilion Parish Assessor's General Fund, not the Vermilion Parish Assessor as a whole.

All of Vermilion Parish Assessor's expenses are reported in a governmental fund, which focuses on how money flows into and out of that fund and the balances left at year-end that are available for spending. This fund is reported using the modified accrual method, which measures cash and all other financial assets that could be readily converted to cash. The governmental fund statements provide a detailed short-term view of Vermilion Parish Assessor's general operations and the expenses paid from this fund. The information in the governmental fund helps determine if there are more or less financial resources to finance future Vermilion Parish Assessor expenses. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and the governmental fund in a reconciliation following the fund financial statements.

III. VERMILION PARISH ASSESSOR AS A WHOLE

The deficit in the Vermilion Parish Assessor's total net position increased in the current year from $569,231 to $660,119. The following reflects the condensed statement of net position as of December 31, 2017, with comparative figures from 2016:

TABLE 1
CONDENSED STATEMENT OF NET POSITION
DECEMBER 31, 2017 AND 2016

	2017	2016
Assets:		
Current assets	$ 1,436,395	$ 1,496,528
Capital assets	76,781	74,592
Total assets	$ 1,513,176	$ 1,571,120
Deferred outflows of resources	129,612	205,691
Total assets and deferred outflows of resources	$ 1,642,788	$ 1,776,811
Liabilities:		
Current liabilities	$ 11,069	$ 15,501
Long-term liabilities	1,363,682	1,448,680
Total liabilities	$ 1,374,751	$ 1,464,181
Deferred inflows of resources	$ 928,156	$ 881,961
Net position:		
Net investment in capital assets	$ 65,712	$ 59,191
Unrestricted	(725,831)	(628,422)
Total net position	$ (660,119)	$ (569,231)
Total liabilities, deferred inflows of rescources and net position	$ 1,642,788	$ 1,776,911

The net position deficit of Vermilion Parish Assessor's governmental activities increased by $90,888 or 16.0%, from 2016. Unrestricted net position, that part of net position which can be used to finance Vermilion Parish Assessor's expenses without constraints or other legal requirements, increased $6,551, or 11.1%, from 2016.

The following table provides a summary of the changes in net position for the year ended December 31, 2017, with comparative figures from 2016:

TABLE II

CONDENSED STATEMENT OF CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Revenues:		
Program revenues -		
Charges for services	$ 1,992	$ 3,225
Operating grants and contributions	15,000	15,000
General revenues -		
Ad valorem taxes	862,868	948,855
Other	69,956	67,815
Total revenues	$ 949,816	$ 1,034,895
Expenses:		
General government	$ 1,040,704	$ 1,010,308
Increase (decrease) in net position	$ (90,888)	$ 24,587

During the fiscal year ended December 31, 2017, property tax revenue decreased $85,987 or approximately 8.2%. Expenses increased by $30,396 or approximately 3%.

IV. GENERAL FUND BUDGETARY HIGHLIGHTS

The Vermilion Parish Assessor's budget was revised during the 2017 fiscal year mainly to increase budgeted intergovernmental revenues and ad valorem taxes and increase budgeted operating expenditures. Actual revenues exceeded budgeted revenues by $1,376 and actual expenditures were $3,796 less than final budgeted expenditures. The net increase in fund balance for the year ended December 31, 2017 of $13,905 was $5,172 more than the anticipated (final budgeted) increase.

V. CAPITAL ASSETS

At the end of 2017, Vermilion Parish Assessor had $76,781 in net investment in capital assets, of which $27,500 is a deposit on software that has not yet been delivered. This amount represents a net decrease of $25,411 or 34% from 2016. This was due primarily to the recording of depreciation of $27,706 in 2017, and investing in capital outlay additions of $2,295.

VI. LONG-TERM LIABILITIES

Long-term obligations of the Vermilion Parish Assessor primarily consist of its proportionate share of the pension benefit obligation of the Louisiana Assessors Retirement Fund and other post-employment benefit obligations for retired employees. Detailed information about these obligation are presented in Note 7 and Note 11 to the financial statements.

VII. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The primary factors considered when preparing the fiscal year 2018 budget were the ad valorem tax revenues and salaries and related expenditures. The ad valorem tax is expected to produce $811,862 or approximately 98% of the total budgeted revenues. Salaries and related expenditures are expected to total $784,750 or 95% of the total budgeted expenditures. The 2018 budget was prepared based on 2017 results with adjustments for expected increases or decreases in revenues and expenditures.

VIII. CONTACTING THE VERMILION PARISH ASSESSOR'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the funds maintained by Vermilion Parish Assessor and to show Vermilion Parish Assessor's accountability for the monies it receives. If you have any questions or need additional financial information, contact Gabe Marceaux, Assessor, at 100 N. State Street, Suite 110, Abbeville, Louisiana 70510.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Exhibit A

VERMILION PARISH ASSESSOR

STATEMENT OF NET POSITION
December 31, 2017

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS	
Cash	$ 211,562
Certificates of deposit	550,000
Ad valorem taxes receivable, net	66,307
Due from other governmental agencies	608,526
Capital assets:	
Depreciable, net	49,281
Deposit on software	27,500
Total assets	$ 1,513,176
DEFERRED OUTFLOWS OF RESOURCES	
Defined benefit pension plan	$ 129,612
Total assets and deferred outflows of resources	$ 1,642,788

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

LIABILITIES	
Note payable	$ 11,069
Long-term liabilities:	
Due in more than one year -	
Net pension liability	192,933
Other post-employment benefit obligation	1,170,749
Total liabilities	$ 1,374,751
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	$ 811,862
Defined benefit pension plan	116,294
Total deferred inflows of resources	$ 928,156
NET POSITION	
Net investment in capital assets	$ 65,712
Unrestricted, deficit	(725,831)
Total net position	$ (660,119)
Total liabilities, deferred inflows of resources and net position	$ 1,642,788

See Notes to Financial Statements.

Exhibit B

VERMILION PARISH ASSESSOR

STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities
Governmental activities:				
General government	$ 1,040,704	$ 1,992	$ 15,000	$ (1,023,712)

General revenues:	
Ad valorem taxes	$ 862,868
Grants and contributions not restricted to specific programs	58,771
Investment earnings	5,772
Miscellaneous	5,413
Total general revenues	$ 932,824
Change in net position	$ (90,888)
Net position, beginning	(569,231)
Net position, ending	$ (660,119)

See Notes to Financial Statements.

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FUND FINANCIAL STATEMENTS

Exhibit C

VERMILION PARISH ASSESSOR

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

ASSETS		General Fund
Cash	$	211,562
Certificates of deposit		550,000
Ad valorem taxes receivable, net		66,307
Due from other governmental agencies		608,526
Total assets	$	1,436,395
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Note payable	$	11,069
Total liabilities	$	11,069
DEFERRED INFLOWS OF RESOURCES		
Unearned revenue	$	811,862
FUND BALANCES		
Unassigned	$	613,464
Total liabilities, deferred inflows of resources and fund balance	$	1,436,395

See Notes to Financial Statements.

Exhibit D

VERMILION PARISH ASSESSOR

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2017

Total fund balance - governmental fund		$ 613,464
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 are therefore not reported in the fund. Those assets consisted of -		
Furniture, fixtures, and equipment	$ 316,713	
Accumulated depreciation	(267,432)	
Deposit on software	27,500	76,781
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the fund -		
Net pension liability	$ (192,933)	
Net OPEB obligation payable	(1,170,749)	(1,363,682)
Deferred outflows and inflows of resources related to pensions and applicable to future periods and, therefore, are not reported in the funds -		
Pension contributions subsequent to plan measurement	$ 8,944	
Difference between actual and projected earnings of pension plan assts	(74,658)	
Change in assumptions	120,668	
Difference between expected and actual contributions to the pension plan	(735)	
Change in the proportionate share of the pension plan from the prior year	(1,834)	
Difference between expected and actual experience	(39,067)	13,318
Total net position of governmental activities		$ (660,119)

See Notes to Financial Statements.

Exhibit E

VERMILION PARISH ASSESSOR

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
Year Ended December 31, 2017

	General Fund
Revenues:	
Ad valorem taxes	$ 862,868
Intergovernmental -	
State revenue sharing	58,771
Vermilion Parish Police Jury	15,000
Charges for services	1,992
Investment earnings	5,772
Miscellaneous	5,413
Total revenues	$ 949,816
Expenditures:	
Current -	
General government	$ 906,116
Capital outlay	29,795
Total expenditures	$ 935,911
Net change in fund balance	$ 13,905
Fund balance, beginning	599,559
Fund balance, ending	$ 613,464

See Notes to Financial Statements.

VERMILION PARISH ASSESSOR

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2017

Net change in fund balance - governmental fund		$ 13,905
The change in net position reported for governmental activities in the statement of activities is difference because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Depreciation expense	$ (27,706)	
Capital outlay	29,795	2,089
Net other postemployment obligations reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		(128,398)
The effect of net pension liability, deferred outflow of resources and deferred inflows of resources related to changes in the net pension obligation -		
Employer contributions made after the valuation date of the net pension liability (September 30, 2017 to December 31, 2017)	$ 8,944	
Cost of benefits earned net of employee contributions (pension expense)	12,572	21,516
Change in net position of governmental activities		$ (90,888)

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

The financial statements of the Vermilion Parish Assessor (the "Assessor") have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Assessor's accounting policies are described below.

Reporting entity:

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 term of four years beginning January 1 following the year in which elected. A vacancy occurring in the office in which the unexpired term is one year or more is filled by a special election to be held within 60 days of the occurrence of the vacancy; a vacancy in which the unexpired term is less than one year is filled by an appointment of the governor.

The Assessor assesses property, prepares tax rolls, and submits the rolls to the Louisiana Tax Commission and other governmental bodies as prescribed by law. 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; however, the Assessor is officially responsible for the actions of the deputies.

The Assessor's office is located in the Vermilion Parish Courthouse in Abbeville, 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.

Basis of presentation:

The Assessor's basic financial statements consist of the government-wide and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Governmental-wide financial statements –

The government-wide financial statements include the statement of net position and the statement of activities of the Assessor. These statements include the financial activities of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

In the government-wide statement of net position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Assessor's net position are reported in two parts – net investment in capital assets and unrestricted.

The government-wide statement of activities reports both the gross and net cost of each of the Assessor's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net cost (by function) is normally covered by general revenues (property taxes, intergovernmental revenues, interest income, etc.).

The government-wide focus is more on the sustainability of the Assessor as an entity and the change in the Assessor's net position resulting from the current year's activities.

Fund financial statements –

The fund financial statements provide information about the Assessor's funds. The emphasis of fund financial statements is on major governmental funds. The Assessor has only one fund, its General Fund. The General Fund is the Assessor's general operating fund. It is used to account for all of the financial resources of the Assessor.

Basis of accounting:

Government-wide financial statements –

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Assessor gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlement, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fund financial statements –

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when 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 be used to pay liabilities of the current period. The Assessor considers property taxes as "available" in the year following the assessment, when the majority of the taxes are collected. Revenue from grants, entitlement, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. All other receivables collected within 60 days after year-end are considered available and recognized as revenue of the current year.

Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds.

Cash and investments:

Under state law, the Assessor may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Cash includes amounts in demand deposit accounts while investments include certificates of deposits. These certificates are not subject to GASB No. 31 requirements; thus, they are stated at cost.

Custodial credit risk:

Deposits (demand and certificates) –

The Assessor is exposed to custodial credit risk as it relates to its deposits with financial institutions. Custodial credit risk is the risk that in the event of a bank failure, the Assessor's deposits may not be returned to it. The Assessor's policy to ensure there is no exposure to this risk is to require each financial institution to pledge securities to cover amounts in excess of Federal Depository Insurance Coverage. Securities pledged by these financial institutions to secure deposits must be held in the Assessor's name. Accordingly, the Assessor had no custodial credit risk related to its deposits at December 31, 2017.

Fixed assets:

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide financial statements –

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at cost or estimated historical cost. Donated fixed assets are recorded at their fair value at the date of donation. The Assessor maintains a threshold level of $500 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is calculated on the straight-line method over the following estimated useful lives:

	Years
Furniture and fixtures	5
Equipment	5 - 10

Fund financial statements –

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

Compensated absences:

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

Vacations are mandatory and vary in length based on years of service. Leave can be taken between January 1 and November 1 of each year. In addition to vacation, annual leave consists of 12 working days absence due to illness or business matters. Any unused portion of annual leave does not accumulate and carry forward. If any employee exceeds the 12 days, their salary is reduced accordingly. Should maternity, surgery, or prolonged illness require extended absence, paid leave not to exceed six weeks (including the 12 day annual leave) will be allowed.

Unearned revenues:

This separate financial statement element in included in deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Assessor has unearned income which arises under both the modified accrual basis of accounting and the accrual basis of accounting, that qualifies for reporting in this manner. Unearned revenues are reported on both the government-wide statement of net position and governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

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 retirement plan the Assessor's Office employees participate, the Louisiana Assessors; Retirement Fund, and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability, the deferred outflows of resources and the deferred inflows of the Assessor's proportionate share of this multi-employer plan are reported in the government-wide statement of net position.

Net position flow assumption:

Sometime the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumptions must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumption:

Sometime the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumptions must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Equity classifications:

Government-wide statements –

Equity is classified as net position and displayed in two components:

a. Net investment in capital assets – Consists of capital assets net of accumulated depreciation and reduced by the balance of debt used to acquire capital assets.

b. Unrestricted net position - All other net position that do not meet the definition of "net investment in capital assets".

The Assessor has no restricted net position as of December 31, 2017.

Fund financial statements –

Beginning with fiscal year 2011, the Assessor implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;

- 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;

- 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;

- 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;

- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Assessor establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Assessor through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned.

Taxes receivable:

Taxes receivable consists of amounts due from taxpayers. Taxes receivable are reported net of an allowance for uncollectible accounts based on prior experience. The allowance amount at December 31, 2017 is $16,237.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recent accounting pronouncements:

During June 2015 the Governmental Accounting Standards Board (GASB) issued GASB No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multi-Employer Plans, for OPEB. This statement establishes standards for recognizing and measuring liabilities, deferred outflow of resources, deferred inflows of resources, and expense/expenditures as well as required disclosures. This statement is effective for fiscal years beginning after June 15, 2017. The effect of the adoption of this statement upon the financial statements next year cannot be estimated at this time.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82 *"Pension Issues."* This Statement is effective for financial statements for years beginning after June 15, 2016. The primary objective of this Statement is to address practice issues that have been raised with respect to Statements 67, 68, as well as 73. Specifically, the Statement addresses issues regarding; the presentation of payroll-related measures in requires supplementary information, the selection of assumptions and the treatment of deviations from the guidance in Actuarial Standards of Practice for financial reporting purposes; and, the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Note 2. Ad Valorem Taxes

Government-wide financial statements –

Property taxes are recognized in the year for which they are levied net of uncollectible amounts, as applicable.

Fund financial statements –

Ad valorem taxes are based on assessed values determined by the Assessor on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31.

Taxes are budgeted and the revenue recognized in the year following the assessment when the majority of the taxes are actually collected and the Assessor considers them "available."

For the year ended December 31, 2017, taxes were levied on property in Vermilion Parish Louisiana with assessed valuations totaling $404,938,982 and the millage was 2.62.

Total taxes levied, exclusive of homestead exemptions, was $881,468 for 2017. Taxes receivable at December 31, 2017 totaled $66,307, which is net of an allowance for uncollectible amounts of $16,237.

Note 3. Due From Other Governmental Agencies

Due from other governmental agencies at December 31, 2017 consists of the following:

Government-wide and fund financial statements:	
Vermilion Parish Sheriff -	
Ad valorem taxes collected	$ 608,526

Note 4. Capital Assets

Capital assets activity for the year ended December 31, 2017 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets being depreciated -				
Furniture and fixtures	$ 11,813	$ 2,295	$ -	$ 14,108
Equipment	302,605	-	-	302,605
Total capital assets being depreciated	$ 314,418	$ 2,295	$ -	$ 316,713
Less accumulated depreciation for -				
Furniture and fixtures	$ (11,813)	$ (141)	$ -	$ (11,954)
Equipment	(227,913)	(27,565)	-	(255,478)
Total accumulated depreciation	$ (239,726)	$ (27,706)	$ -	$ (267,432)
Total capital assets being depreciated, net	$ 74,692	$ (25,411)	$ -	$ 49,281
Governmental activities capital assets, net	$ 74,692	$ (25,411)	$ -	$ 49,281

Depreciation expense was charged to functions as follows:

General government	$ 27,706

Note 5. Notes Payable

In order to purchase an automobile the Assessor's Office borrow against one of their certificates of deposit. The maturity of the note is the same as the certificate of deposit. The note is due January 24, 2018 at rate of 2.75%. It is anticipated the indebtedness will be renewed under similar terms with the certificate maturity and anticipated renewal. The original amount borrowed is $22,629 and the Assessor has been paying $400 monthly, including interest, on the loan. At the present payment amount and interest rate, the obligation should be paid out in approximately 30 months.

Note 6. Pension Plan

Substantially, all employees of the Assessor's office are members of the Louisiana Assessor's Retirement Fund ("System"), a cost sharing multiple-employer, public employee retirement system, controlled and administered by a separate board of trustees.

Plan description:

The Louisiana Assessors' Retirement Fund was created by Act 91 Section 1 of the 1950 regular Legislature Session. The Fund is a cost sharing, multiple-employer, qualified governmental defined benefit pension plan covering assessors and their deputies employed by any parish of the State of Louisiana, under the provisions of Louisiana Revised Statues 11:1401 through 1494. The plan is a qualified plan as defined by the Internal Revenue Code Section 401(a), effective January 1, 1998. Membership in the Louisiana Assessors' Retirement Fund is a condition of employment for Assessors and their full time employees.

The Fund is administered by a board of trustees made up of seventeen members, the president, vice president, and secretary-treasurer of the Louisiana Assessors' Association and eight regular member representatives who are elected for a term of two years from the Association districts. Two of the members are retiree representatives nominated by the board and elected by the retirees, two members are assessor employee representatives nominated by the board and elected by the employees, and two members are legislative representatives of which one is from the House and one is from the Senate.

Retirement benefits:

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. At death, the beneficiary will receive a lump sum payment based on the present value of the employee's annuity account balance.

2. At death, the beneficiary will receive a life annuity based on their reduced retirement allowance.

3. At death, the beneficiary will receive a life annuity equal to one-half of their reduced retirement allowance.

4. Any other benefit certified by the actuary and approved by the Board of Trustees that will be equivalent in value to their retirement allowance.

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 remarriage, or a refund of the member's accumulated contributions, whichever the spouse elects to receive.

3. If a member dies and is eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the Option 2 benefits provided for in R.S. 11:1423, which shall not terminate upon a subsequent remarriage.

4. Benefits set forth in item number 2 above, shall cease upon remarriage and shall resume upon a subsequent divorce or death of a new spouse. The spouse shall be entitled to receive a monthly benefit equal to the amount being received prior to remarriage.

Disability benefits:

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

1. A sum equal to the greater of 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 (Back-DROP)

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

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

1. The member has accrued more service credit than the minimum required for eligibility for a normal retirement benefit.

2. The member has attained an age that is greater than the minimum required for eligibility for a normal retirement benefit, if applicable.

3. The member has revoked their participation, if any, in the Deferred Retirement Option Plan pursuant to R.S. 11:1456.2.

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 the following conditions:

1. Creditable service shall not include service credit reciprocally recognized pursuant to R.S. 11:142.

2. Accrued service at retirement shall be reduced by the Back-DROP.

3. Final average compensation shall be calculated by excluding all earnings during the Back-DROP period.

4. Contributions received by the Fund during the Back-DROP period and any interest that has accrued on employer and employee contributions received during the period shall remain with the Fund and shall not be refunded to the employee or to the employer.

5. The member's Back-DROP monthly benefit shall be calculated based upon the member's age and service and the Fund provisions in effect on the last day of creditable service before the Back-DROP period.

6. At retirement, the member's maximum monthly retirement benefit payable as a life annuity shall be equal to the Back-DROP monthly benefit.

7. The member may elect to receive a reduced monthly benefit in accordance with the options provided in R.S. 11:1423 based upon the member's age and the age of the member's beneficiary as of the actual effective date of retirement. No change in the option selected or beneficiary shall be permitted after the option is filed with the Board of Trustees.

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

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

Excess Benefit Plan:

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

Contributions:

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

Administrative costs of the Fund are financed through employer contributions. According to state statute, contributions for all employers are actuarially determined each year. Employer contributions were 10% and 13.5% of members' earnings for the years ended September 30, 2017 and 2016, respectively.

The Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state as well as a state revenue sharing appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee. Although the direct employer actuarially required contribution for fiscal year 2017 is 4.69%, the actual employer contribution rate for fiscal year 2017 is 10%, since state statutes require that employer rates be set one year in advance. The minimum direct employer actuarially required contribution will be 5.25% for fiscal year 2018.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:

At December 31, 2017, the Employer reported a liability of $192,933 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of September 30, 2017 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2017, the Assessor's Office proportion was 1.099517% of Plan B, which was a decrease of .051983% from its proportion measured as of September 30, 2016.

For the year ended December 31, 2017, the Agency recognized pension expense of $148,089, including the employer's amortization of the change in proportionate share and differences between employer contributions and proportionate share of contributions, $1,182.

At December 31, 2017, the Agency 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	$ -	$ 39,067
Net difference between projected and actual earnings on pension plan investments	-	74,658
Change in proportionate share from prior year	-	1,834
Change in assumptions	120,668	-
Differences between actual employer contributions and expected contributions	-	735
Employer contributions subsequent to the measurement date	8,944	-
	$ 129,612	$ 116,294

The $8,944 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase of pension expense as follows:

Year Ended:	
2018	$ 23,794
2019	$ 33,617
2020	$ (39,244)
2021	$ (22,785)
2022	$ 8,993

Actuarial assumptions:

The current year actuarial assumptions utilized for this report are based on the assumptions used in the September 30, 2017 actuarial funding valuation, which (with the 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 our expectations of future experience for the Fund. Additional information on the actuarial methods and assumptions used as of September 30 actuarial valuation follows:

Valuation date:	September 30, 2016
Actuarial cost method:	Entry Age Normal
Investment rate of return:	6.75%, net of pension plan investment expense, including inflation
Inflation rate:	2.50%
Salary increases:	5.75%
Annuitant and beneficiary mortality:	RP-2000 Healty Annuitant Table set forward one year and projected to 2030 for males and females
Active member mortality:	RP-2000 Healty Annuitant Table set back four years for males and three years for females
Retiree Cost of Living increases:	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for future increases not yet authorized.

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, 2017, are summarized in the following table.

Asset Class	Long-Term Expected Portfolio Real Rate of Return
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real estate	4.50%
Alternative assets	6.24%

Discount rate:

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employee contributing entities will be made at the actuarially determined rates which are calculated in accordance with relevant statues and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions and the other assumptions and methods, the System'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.

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate

The following presents the employer's proportionate share of the Net Pension Liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the Net Pension Obligation would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Employer's proportionate share of the net pension liability	$ 654,242	$ 192,933	$ (202,531)

Pension plan fiduciary net position

The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Louisiana Assessors' Retirement Fund, www.louisianaassessors.org.

Note 7. Compensation Paid to Elected Officials

The salary paid to the elected official was as follows for the year ended December 31, 2017:

Gabe Marceaux, Assessor	$ 144,314

In addition to his salary, an amount equal to 5% of his base salary or $7,252 was contributed to the deferred compensation plan described in Note 9 on the behalf of the Assessor, $15,081 was contributed on his behalf to the pension plan described in Note 6, and insurance premiums for health and life insurance in the amount of $10,984 were paid to the Assessor's Insurance Fund on his behalf.

Note 8. Expenses of the Assessor Not Included in the Financial Statements

Certain operating expenses of the Assessor's office are paid by the Vermilion Parish Police Jury (the "Jury"). They are:

1. Office space, equivalent to rent, is furnished by the Police Jury.

2. Utility bills are paid by the Police Jury.

3. The Assessor's office has the use of miscellaneous office furniture owned by the Police Jury.

Note 9. Deferred Compensation Plan

The 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 the Internal Revenue Code Section 457. The plan is reported as an agency fund in the State of Louisiana's financial statements. The plan, available to all Assessors' 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.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the general creditors of the State of Louisiana. Participants' rights under the plan are equal to those of general creditors of the State of Louisiana in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of management, after consulting with legal counsel, that the Assessor has no liability for losses under the plan.

The Assessor makes matching contributions equal to the amount deferred by each employee, but not in excess of 5% of an employee's salary to the plan. For the year ended December 31, 2017, the Assessor contributed \$22,364 on behalf of its employees to the plan.

Note 10. Post Employment Benefits Other Than Pensions

Plan description:

The Assessor sponsors a Retiree Healthcare Plan (multi-employer defined benefit Other Post Employment Benefit [OPEB] plan) through which it extends medical, dental, and life benefits to qualifying employees upon actual retirement.

A covered employee becomes eligible for participation on his date of hire.

A covered employee may retire at or after age 55 with at least 12 years of credited service or at any age with at least 30 years of credited service.

Coverage is also provided to spouses of retirees who are receiving benefits at the time of retirement. If the retiree predeceases the spouse, coverage for the surviving spouse continues.

Contribution rates:

Employees do not contribute to their post-employment benefit costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Funding policy:

Effective with the fiscal year beginning January 1, 2009, the Assessor implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Post*

Employment Benefits Other Than Pensions (GASB 45). The requirements of GASB 45 are being implemented prospectively. Accordingly, for financial reporting purposes, no liability is reported for the post-employment benefits liability at the date of transition. The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs. In fiscal year 2017, the Assessor's portion of health care funding cost for retired employees totaled $93,509. This amount was applied toward the net OPEB Benefit Obligation as shown in the table on the next page.

Annual required contribution:

The Assessor's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the normal cost plus the amortization of the unfunded actuarial accrued liability. A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 45) has been used for the post employment benefits. The total ARC for the fiscal year beginning January 1, 2017 is $248,578 as set forth below:

Normal cost at fiscal year end	$ 99,084
Amortization of unfunded Actuarial Accrued Liability (UAAL)	149,494
Annual required contribution (ARC)	$ 248,578

Net post-employment benefit obligation:

The table below shows the Assessor's net OPEB obligation for the fiscal year ending December 31, 2017:

Beginning net OPEB obligation at January 1, 2017	$ 1,042,351
Annual required contribution (ARC)	$ 248,578
Interest on prior year net OPEB obligation	41,694
ARC adjustment	(68,365)
Annual OPEB cost	$ 221,907
Contributions (current year retiree premiums)	(93,509)
Increase in net OPEB obligation	$ 128,398
Ending net OPEB obligation at December 31, 2017	$ 1,170,749

The Assessor's annual OPEB cost is $221,907, $225,390 and $229,110 for the years ended December 31, 2017, 2016, and 2015, respectively. The percentage of annual cost contributed and the net unfunded OPEB obligation is 18.95% and $128,398 for the year ended December 31, 2017, 21.62% and $136,124 for the year ended December 31, 2016 and 25.282% and $906,227 for the year ended December 31, 2015.

Funding status and funding progress:

The Assessor made no contributions to its post-employment benefits plan during the year ended December 31, 2017. The plan was not funded, has no assets, and hence has a funded ratio of zero. As of January 1, 2017, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was $ 2,279,333 (medical - $2,012,555, life - $172,675, and dental - $94,103), which is defined as that portion, as determined by a particular actuarial cost method (the Assessor uses the Unit Credit Actuarial Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost. The plan was not funded in fiscal years 2015, 2016, and 2017, therefore, the entire AAL of $2,279,333 at the end of each respective year, was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $467,492 and the ratio of the unfunded AAL to the covered payroll was 487.57%.

Actuarial methods and assumptions:

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for the post-employment benefits includes estimates and assumptions regarding (1) withdrawal rate; (2) retirement rate; (3) healthcare and dental cost trend rates; (4) mortality rate; (5) discount rate (investment return assumption); (6) disability rate; (7) coverage rate; and (8) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Assessor and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Assessor and its plan members to that point. The projection of benefits for the financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Assessor and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial cost method:

The ARC is determined using the Unit Credit Actuarial Cost Method. The employer portion of the cost for retiree benefits in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions including the investment rate of return assumption (discount rate), mortality, retirement, disability, coverage, and withdrawal rates.

Actuarial value of plan assets:

Since the funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs, there are not any assets.

Withdrawal rate:

The following annual rates of withdrawal were used:

Years of Service	Rate
1 or less	12.0%
2 - 6	5.0%
7 - 8	4.0%
9 - 12	3.0%
13 - 14	2.0%
15 or more	1.0%

Investment return assumption (discount rate):

GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan that is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation, which represents a reasonable estimate of short-term pooled funds.

Health care and dental cost trend rates:

The expected rates in benefit costs for medical and pharmacy were assumed to begin at 5.50% for pre-age 65 to 8.40% for post-age 65 for 2017, trending down from pre-age 65 5.70% and trending up for post-age 65 4.10%, respectively, in 2017. The expected rates in dental benefit cost remained at 4.74% in both 2017 and 2016.

Retirement rate:

The expected rate of retirement was assumed as follows:

Age	Percentage
18-34	0.006%
35	0.007%
36-37	0.008%
38	0.010%
39	0.011%

Mortality rate:

The mortality tables applicable for the year of the measurement date are based on the Sex Distinct RP2000 Combined Healthy Mortality Table projected to 2017 using Scale AA.

Disability rate:

The disability rate for males and females used in the calculations range from 0.006% to 0.195% for ages 18 to 60 and older.

Coverage rate:

One hundred percent of employees electing coverage, while inactive employees and those who are eligible for retiree medical benefits, are assumed to elect continued medical coverage in retirement. Twenty percent of members electing coverage are assumed to also elect coverage for a spouse.

Method of determining value of benefits:

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid.

Note 11. Risk Management

The Assessor is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Assessor purchases commercial insurance to cover any claims related to these risks.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit G-1

VERMILION PARISH ASSESSOR

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	$ 881,468	$ 862,944	$ 862,868	$ (76)
Intergovernmental -				
State revenue sharing	50,000	58,771	58,771	-
Vermilion Parish Police Jury	15,000	15,000	15,000	-
Charges for services	2,000	500	1,992	1,492
Investment earnings	3,500	5,812	5,772	(40)
Miscellaneous	6,000.0	5,413	5,413	-
Total revenues	$ 957,968	$ 948,440	$ 949,816	$ 1,376
Expenditures:				
Current -				
General government:				
Salaries and related expenditures	$ 837,128	$ 791,362	$ 790,737	$ 625
Professional services	12,000	11,350	11,250	100
Automobile insurance	3,600	3,808	3,808	-
Telephone	7,000	7,090	7,028	62
Advertising	3,500	3,300	3,093	207
Computer	42,860	54,417	49,968	4,449
Office expenses	3,000	5,600	5,649	(49)
Travel and meals	3,000	1,500	6,244	(4,744)
Vehicle expenses	10,000	8,000	2,713	5,287
Materials and supplies	7,500	5,205	6,345	(1,140)
Lease expense	-	-	-	-
Schools and seminars	11,000	5,800	6,517	(717)
Repairs and maintenance	2,100	2,064	2,259	(195)
Dues and subscriptions	8,500	8,766	9,191	(425)
Interest expense	500	375	371	4
Other	2,030	1,275	943	332
Capital outlay	-	29,795	29,795	-
Total expenditures	$ 953,718	$ 939,707	$ 935,911	$ 3,796
Net change in fund balance	$ 4,250	$ 8,733	$ 13,905	$ 5,172
Fund balance, beginning	599,559	599,559	599,559	-
Fund balance, ending	$ 603,809	$ 608,292	$ 613,464	$ 5,172

See Note to Budgetary Comparison Schedule.

VERMILION PARISH ASSESSOR

NOTE TO BUDGETARY COMPARISON SCHEDULE

Note 1. Budgets and Budgetary Accounting

The Assessor follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. The Assessor prepares a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.

2. The proposed budget is published in the official journal prior to a public hearing.

3. A public hearing is held at the Assessor's office to obtain taxpayer comments.

4. The budget is then legally adopted by the Assessor.

5. The budget is adopted on a basis consisted with generally accepted accounting principles (GAAP).

All budged appropriations lapse at year-end. The budgets presented are the originally adopted budget and the final budget.

Exhibit H

VERMILION PARISH ASSESSOR

SCHEDULES OF THE PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
For the Four Years Ended December 30, 2017

	2017	2016	2015	2014
Assessor Office's proportion of the net pension liability	1.099517%	1.151500%	1.133874%	0.992476%
Assessor Office's proportion share of the net pension liability	$ 192,933	$ 406,329	$ 593,382	$ 349,966
Assessor Office's covered employee payroll	$ 467,492	$ 508,086	$ 481,069	$ 462,570
Assessor Office's proportionate share of the net pension liability as a percentage of its covered-employee payroll	41.27%	79.97%	123.35%	75.66%
Plan fiduciary net position as a percentage on the total pension liability	95.61%	90.68%	85.57%	89.98%

Exhibit I

VERMILION PARISH ASSESSOR

SCHEDULES OF PENSION CONTRIBUTIONS
For the Four Years Ended December 31, 2017

	2017	2016	2015	2014
Contractually required contribution	$ 44,513	$ 64,146	$ 64,944	$ 62,447
Contributions in relation to the contractually required contribution	44,513	64,146	64,944	62,447
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Assessor Office's covered-employee payroll	$ 467,492	$ 508,086	$ 481,069	$ 462,570
Contributions as a percentage of covered-employee payroll	9.52%	12.625% *	13.50%	13.50%

* Employer contributions were 10% through September 2017, then decreased to 8% for the remainder of the year.

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BROUSSARD POCHÉ, LLP
CERTIFIED PUBLIC ACCOUNTANTS

101 Independence Boulevard | Lafayette, LA 70506
(O) 337.988.4930 | (F) 337.984.2393
www.BroussardPoche.com

INDEPENDENT AUDITORS' 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 Vermilion Parish Assessor
Abbeville, 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 basic financial statements of the Vermilion Parish Assessor as of and for the year ended December 31, 2017, and the related notes to financial statements and have issued our report thereon dated June 26, 2018.

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 combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Assessor'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. We consider the deficiency described in the accompanying schedule of findings and responses at #2017-1 to be a material weakness.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses, we identified a deficiency in internal control that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Assessor's financial statements are free of 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 did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

The Vermilion Parish Assessor's Responses to the Findings

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

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 Assessor's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Assessor's internal control and compliance. This report is intended for the information and use of the Vermilion Parish Assessor, management, others within the entity, federal awarding agencies and pass-through entities, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. 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.

Broussard Poché, LLP

Lafayette, Louisiana
June 26 2018

VERMILION PARISH ASSESSOR

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2017

We have audited the basic financial statements of the Vermilion Parish Assessor as of and for the year ended December 31, 2017, and have issued our report thereon dated June 26, 2018. 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. Our audit of the financial statements as of December 31, 2017 resulted in an unmodified opinion.

Section I. Summary of Auditors' Results

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

Internal Control

Material weaknesses	X Yes	_ No
Control deficiencies identified that are not considered to be material weaknesses	___ Yes	X None reported

Compliance

Compliance material to financial statements	___ Yes	X No

Section II. Financial Statement Findings

#2017-1 Segregation of Duties

Criteria: An effective system of internal control requires proper segregation of employee duties and responsibilities so that no one individual handles a transaction from inception to completion.

Condition: The Assessor does not have enough personnel to achieve adequate segregation of duties in the accounting department. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize that the Assessor may not be large enough to permit adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition.

Cause: The Assessor's Office has a limited number of employees within the accounting function

Effect: There are inherent weaknesses in internal control when effective segregation of duties does not exist.

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned, the Assessor should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Response: Management has provided as much segregation as possible with the resources available.

VERMILION PARISH ASSESSOR

SCHEDULE OF PRIOR FINDINGS
Year Ended December 31, 2017

Section I. Internal Control and Compliance Material to the Financial Statements

#2016-1 Segregation of Duties

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned, the Assessor should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Current Status: This finding is in the current year's schedule of findings and responses at #2017-1. The Assessor has provided as much segregation of duties as possible with the resources available.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

The prior year's report did not include a management letter.

VERMILION PARISH ASSESSOR

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD

For the Year Ended December 31, 2017

Agency Head: Gabe Marceaux

Purpose	Amount
Salary	$ 144,314
Benefits – insurance	10,984
Benefits – retirement	15,081
Benefits – other	7,216
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	14,431
Travel	-
Registration fees	510
Conference travel	1,804
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	$ 194,340

BROUSSARD
POCHÉ, LLP
CERTIFIED PUBLIC ACCOUNTANTS

101 Independence Boulevard | Lafayette, LA 70506
(O) 337.988.4930 | (F) 337.984.2393
www.BroussardPoche.com

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Gabe Marceaux
Vermilion Parish Assessor
Abbeville, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Vermilion Parish Assessor (Assessor) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Assessor's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

   a. Budgeting, including preparing, adopting, monitoring, and amending the budget.

      We obtained a copy of the Assessor's budgeting policy effective for the fiscal year ended December 31, 2017. Items noted above are addressed by the policy.

   b. Purchasing: including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

      We obtained a copy of their purchasing policy effective for the fiscal year ended December 31, 2017. Items noted above are addressed by the policy, with the exception of how vendors are added to the vendor list.

   c. Disbursements, including processing, reviewing, and approving

      We obtained a copy of their disbursements policy effective for the fiscal year ended December 31, 2017. Items noted above are addressed by the policy.

   d. Receipts, including receiving, recording, and preparing deposits.

      There was no written policy that addressed the above items. The Assessor's office is currently in the process of implementing a receipts policy.

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

We obtained a copy of their disbursements policy effective for the fiscal year ended December 31, 2017. Items noted above are addressed by the policy.

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

We obtained a copy of their contracting policy effective for the fiscal year ended December 31, 2017. Items noted above are addressed by the policy.

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

We obtained a copy of their credit card policy effective for the fiscal year ended December 31, 2017. Items noted above are addressed by the policy.

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

We obtained a copy of their travel and expense reimbursement policy effective for the fiscal year ended December 31, 2017. Items noted above are addressed by the policy, with the exception of dollar thresholds by category of expense.

i. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statue 42:111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

We obtained a copy of their ethics policy effective for the fiscal year ended December 31, 2017. Items noted above are addressed by the policy.

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

We obtained a copy of their debt service policy effective for the fiscal year ended December 31, 2017. Items noted above are addressed by the policy.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

a. Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charters, or other equivalent document.

The managing board met twice during 2017; once to adopt the millage rate and once to review and approve the budget.

b. Report whether the minutes reference or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

The minutes did reference a budget-to-actual comparison for the General Fund, but on an annual basis rather than monthly. Budget-to-actual comparisons are reviewed by the Assessor on an annual basis.

i. If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Budget-to-actual comparison did not show any funds that had a deficit fund balances.

c. Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

The minutes did reference and include non-budgetary financial information.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

   We obtained a listing of all bank accounts. There is only one bank account with Bank of Abbeville.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if no more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

   a. Bank reconciliations have been prepared;

   The Assessor's single bank account was tested. No exceptions noted.

   b. Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

   Bank reconciliations selected above were reviewed by the Assessor, who also has signature authority.

   c. If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

   Per review of year end bank reconciliation for each account tested, we noted one outstanding item for $25 that has been outstanding for more than 6 months. This item has not been researched.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

   There is only one collection location.

6. Using the listing provided by management, select all of the entity's cash collections locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection locations selected:

   a. Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Each person responsible for collecting cash is not bonded. There was no written documentation that addressed whether each person responsible for collecting cash is not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account, and not required to share the same cash register or drawer with another employee. The Assessor's office is currently in the process of implementing a formal written policy.

b. Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

There is no written documentation for the formal process used to reconcile cash collections to the general ledger and/or subsidiary ledger. Sequentially numbered receipts for over-the-counter transactions were viewed along with invoices issued and corresponding payments received. The Assessor's office is currently in the process of implementing a written formal policy.

c. Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

i. Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

We used the general ledger detail to pull all cash collections and selected the highest dollar week of collections for testing. Collections selected for testing were deposited within five and nine days of collection. One collection was not stamped when collected, therefore we could not determine how many days between the collection and deposit.

ii. Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

The cash collections tested above were completely supported by documentation and in agreement with deposit slips and clearance on the bank statement.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

The Assessor's office did not have a written formal receipts policy, but they are currently in the process of drafting a written policy for implementation.

<u>Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)</u>

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

We obtained the general ledger detail for the fiscal year ended December 31, 2017. We obtained management's representation that the general ledger detail was complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

   a. Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

      The Assessor's office does not use a requisition/purchase order or an equivalent electronic system.

   b. Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

      The Assessor's office does not use a requisition/purchase order or an equivalent electronic system.

   c. Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

      The Assessor's office does not use a requisition/purchase order or an equivalent electronic system. The Assessor approves and signs the invoice before it is paid. Four out of the 25 distributions selected for testing were signed for approval after the payment was made.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

    The Assessor's Office does not have written documentation addressing the above items.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

    The Assessor's Office did not have written documentation addressing the above items.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

    Based on our inquiry of management and observation, the supply of unused checks are stored in a locked cabinet. The Assessor and Chief Deputy both have access to the unused checks. The Assessor does has signatory authority.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

    The Chief Deputy uses a signature stamp and has access to checks. All uses of the signature stamp are approved by the Assessor. The checks are maintained under the control of an authorized user, the Chief Deputy, until mailed.

__Credit Cards/Debit Cards/Fuel Cards/P-Cards__

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

    Management provided a list of all active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers and the names of the persons who maintain possession of the cards. We obtained management's representation that the listing was complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

    The Assessor's office has one credit card, which was selected for testing.

    Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

    a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

        Each monthly statement and supporting documentation was reviewed and approved, in writing, by the Assessor who is also the authorized card holder.

    b) Report whether finance charges and/or late fees were assessed on the selected statements.

        No finance charges and/or late fees were assessed on the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

    a) For each transaction, report whether the transaction is supported by:

        i. An original itemized receipt (i.e., identifies precisely what was purchased)

            All transactions were supported by original itemized receipts.

        ii. Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

            All transactions had documentation of a business/public purpose.

        iii. Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

            All transactions had other documentation that was required by written policy, where applicable.

    c) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

All transactions were in compliance with written policy and with the Louisiana public bid law.

d) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

We obtained a listing of all travel and related expense reimbursements by employee during the fiscal year ended December 31, 2017. We obtained management's representation that the listing was complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Per review of the written policies, employees traveling are required to obtain advanced approval prior to incurring any travel-related expense. Reimbursements are based on actual expenditures incurred and detailed evidence is required.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

All disbursements selected were in accordance with the written policies.

b) Report whether each expense is supported by:

i. An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

All expense reimbursements were supported by original itemized receipts.

ii. Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

All expense reimbursements had documentation of the business/public purpose.

iii. Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

All reimbursements included an approved expense report.

c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions were noted.

d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

All travel and related expenses examined were approved by someone other than the person receiving the reimbursement.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Obtained the general ledger detail and sorted it to detect contract payments. Only one contracts was in effect during the fiscal period. We obtained management's representation that the listing was complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

There was a formal/written contract that supports the services arranged and amounts paid for the two contracts.

b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

i. If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

Not applicable.

ii. If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

No, because the contract was for a specialized sole-source product the entity did not obtain quotes. Evidence supporting the sole-source was also obtained.

c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Neither of the contracts were amended.

d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

The payments for the contracts complied with the terms and conditions of the contracts.

e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Board approval is not required.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Payments made to the employees were made in strict accordance with the terms and conditions of the employment contract and/or pay rate structure found in the employees' files.

b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

There were no changes made to hourly pay rates/salaries during the fiscal year for the employees selected for testing.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

We obtained attendance and leave records for all employees. We randomly selected a pay period in which leave was taken and selected one third of employees at random during that pay period for testing below.

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

Daily attendance was not recorded. When employees took leave, the Chief Deputy would account for this leave in an excel workbook.

b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Attendance and leave is not approved by supervisors in writing. Leave is verbally approved by the Assessor.

c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Yes, there are written leave records.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

    We obtained the listing of all terminated employees. There was only one employee terminated in the current year, and that employee did not receive termination payments. We obtained management's representation that the listing was complete.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

    We viewed all payroll taxes and retirement contribution payment support made during the fiscal period, as well as the required reporting forms. All were submitted by the required deadlines to the applicable agencies.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

    Per our random sample in the payroll and personnel testing above, all of the five employees tested had documentation of ethics training.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

    Per discussion with the Chief Deputy, there were no alleged ethics violations in the fiscal period.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

    Not applicable, no borrowed indebtedness issued during the fiscal period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

    All required debt service payments and reserves were made or maintained in accordance with debt covenants.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

    Not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

    Per discussion with management, they did not have any misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

    Based on our observation, the entity has posted on its premises and on its website the notice required by R.S. 25:523.1.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

    No exceptions noted.

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

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Broussard Poché, LLP

Lafayette, Louisiana
June 26, 2018