

**Louisiana Assessors' Insurance Fund  
Baton Rouge, Louisiana  
Financial Report  
December 31, 2021**

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## **Independent Auditor's Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of Louisiana Assessors' Insurance Fund, which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of revenues, expenses, and change in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise Louisiana Assessors' Insurance Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Louisiana Assessors' Insurance Fund as of December 31, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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 responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Louisiana Assessors' Insurance Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Assessors' Insurance Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Louisiana Assessors' Insurance Fund's ability to continue as a going concern for a reasonable period of time.

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

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of 1–10 year claims development information on pages 6 - 8 and 19 - 20 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

#### ***Supplementary Information***

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2022, on our consideration of the Louisiana Assessors' Insurance Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Louisiana Assessors' Insurance Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Louisiana Assessors' Insurance Fund's internal control over financial reporting and compliance.

*Hawthorn, Waymouth & Carroll, L.L.P.*

June 14, 2022

**Louisiana Assessors' Insurance Fund  
Management's Discussion and Analysis  
December 31, 2021**

The following is management's discussion and analysis of Louisiana Assessors' Insurance Fund ("the Plan") for the year ended December 31, 2021, which highlights relevant aspects of the basic financial statements and provides an analytical overview of the Plan's financial activities.

**FINANCIAL HIGHLIGHTS**

Assets increased by approximately \$1,813,000 or 27.3%, from 2020 to 2021.

The Plan's net position increased approximately \$1,819,000 in 2021, compared to an increase in net position of approximately \$1,871,000 in 2020.

The amount of net premiums earned increased approximately \$413,000 and claims expenses increased approximately \$845,000 from the prior year amounts.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

***Balance Sheets*** – These statements report the Plan's assets, liabilities, and net position as of December 31, 2021 and 2020.

***Statements of Revenues, Expenses, and Change in Net Position*** – These statements report the Plan's revenues, expenses, and change in net position for the years ended December 31, 2021 and 2020.

***Statements of Cash Flows*** – These statements report the net increase or decrease in cash and cash equivalents for the years ended December 31, 2021 and 2020.

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

Note 1 (Plan Description) provides a general description of the Plan. Information is included regarding the insurance committee, plan membership, and a description of the basic insurance benefits.

Note 2 (Summary of Significant Accounting Policies) provides information about the accounting methods and policies used in determining amounts shown on the financial statements. Information relative to the basis of accounting, the determination of estimates, cash and cash equivalents, reinsurance and other receivables, furniture and equipment, unpaid claims liability, reinsurance, and income taxes is included in this note.

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

Note 4 (Furniture and Equipment) details the cost of the Plan's fixed assets as well as related depreciation expense and accumulated depreciation.

**Louisiana Assessors' Insurance Fund  
Management's Discussion and Analysis  
December 31, 2021**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

Note 5 (Claims Expense and Unpaid Claims Reserve) describes changes in the aggregate unpaid claims liabilities from December 31, 2020 to December 31, 2021.

Note 6 (Reinsurance Policy Coverage) outlines the reinsurance policy guidelines and limitations.

Note 7 (Administrative Expenses) details the expenses incurred throughout the year.

Note 8 (Related Party Transactions) provides descriptions of transactions between the Plan and its related parties, Louisiana Assessors' Association and Louisiana Assessors' Retirement Fund.

Note 9 (Subsequent Events) provides the date through which subsequent events have been evaluated for disclosure in the financial statements.

**LOUISIANA ASSESSORS' INSURANCE FUND'S FINANCIAL ANALYSIS**

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

**Balance Sheets  
December 31, 2021, 2020, and 2019**

Assets include cash and cash equivalents, reinsurance receivable, and other receivables. Liabilities include accounts payable, unearned revenue, and unpaid claims.

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2021 Percentage Change</b>
<b>Assets</b>	<u>\$ 8,458,884</u>	<u>\$ 6,645,545</u>	<u>\$ 4,266,832</u>	27.3%
<b>Liabilities and Net Position</b>				
Total liabilities	\$ 1,715,993	\$ 1,721,770	\$ 1,214,429	-0.3%
Net position				
Unrestricted	<u>6,742,891</u>	<u>4,923,775</u>	<u>3,052,403</u>	36.9%
Total liabilities and net position	<u>\$ 8,458,884</u>	<u>\$ 6,645,545</u>	<u>\$ 4,266,832</u>	

**Louisiana Assessors' Insurance Fund  
Management's Discussion and Analysis  
December 31, 2021**

**LOUISIANA ASSESSORS' INSURANCE FUND'S FINANCIAL ANALYSIS (Continued)**

**Statements of Revenues, Expenses, and Change in Net Position  
Years Ended December 31, 2021, 2020, and 2019**

Revenues include members' premiums, reinsurance proceeds and interest income.

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 Percentage Change</u>
<b>Revenues and Expenses</b>				
Revenues	\$ 16,977,420	\$ 16,112,564	\$ 15,003,643	5.4%
Administrative fees	<u>222,462</u>	<u>220,770</u>	<u>221,119</u>	0.8%
Total revenues	<u>17,199,882</u>	<u>16,333,334</u>	<u>15,224,762</u>	5.3%
Claims expenses and insurance premiums	15,199,008	14,280,389	13,142,418	6.4%
Administrative expenses	<u>181,758</u>	<u>181,573</u>	<u>177,929</u>	0.1%
Total expenses	<u>15,380,766</u>	<u>14,461,962</u>	<u>13,320,347</u>	6.4%
<b>Change in Net Position</b>	<u>\$ 1,819,116</u>	<u>\$ 1,871,372</u>	<u>\$ 1,904,415</u>	

**Requests for Information**

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



## **Financial Statements**

**Louisiana Assessors' Insurance Fund**  
**Balance Sheets**  
**December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
<b>Assets</b>		
Cash and cash equivalents	\$ 8,046,996	\$ 6,530,226
Reinsurance receivable	383,018	72,374
Other receivables	28,870	42,945
Total assets	\$ 8,458,884	\$ 6,645,545
<b>Liabilities and Net Position</b>		
<b>Liabilities</b>		
Accounts payable	\$ 2,507	\$ 3,419
Unearned revenue	-	43,014
Unpaid claims liability	1,713,486	1,675,337
Total liabilities	1,715,993	1,721,770
<b>Net Position</b>		
Unrestricted	6,742,891	4,923,775
Total liabilities and net position	\$ 8,458,884	\$ 6,645,545

The accompanying notes are an integral part of these financial statements.

**Louisiana Assessors' Insurance Fund**  
**Statements of Revenues, Expenses, and Change in Net Position**  
**Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
Premiums earned	\$ 16,193,655	\$ 15,706,270
Premiums ceded	2,218,680	2,144,721
Net premiums earned	13,974,975	13,561,549
Interest income	444	11,107
Reinsurance proceeds	783,321	395,187
Administrative fees	222,462	220,770
Total revenues	14,981,202	14,188,613
<b>Expenses</b>		
Claims expenses	12,980,328	12,135,668
Administrative expenses	181,758	181,573
Total expenses	13,162,086	12,317,241
<b>Change in Net Position</b>	1,819,116	1,871,372
<b>Net Position</b>		
Beginning of year	4,923,775	3,052,403
End of year	\$ 6,742,891	\$ 4,923,775

The accompanying notes are an integral part of these financial statements.

**Louisiana Assessors' Insurance Fund**  
**Statements of Cash Flows**  
**Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash Flows from Operating Activities</b>		
Receipts from premiums	\$ 16,207,730	\$ 15,709,612
Payments for claims	(12,942,179)	(11,631,111)
Payments for insurance premiums	(2,261,694)	(2,145,080)
Payments for administrative expenses	(182,670)	(178,430)
Receipts from reinsurance carriers	472,677	353,621
Receipts from administrative fees	222,462	220,770
Interest income received	444	11,107
	<u>1,516,770</u>	<u>2,340,489</u>
<b>Net cash provided by operating activities</b>	<u>1,516,770</u>	<u>2,340,489</u>
<b>Net Increase in Cash and Cash Equivalents</b>	1,516,770	2,340,489
<b>Cash and Cash Equivalents, beginning of year</b>	<u>6,530,226</u>	<u>4,189,737</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>\$ 8,046,996</u>	<u>\$ 6,530,226</u>
<b>Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities:</b>		
Change in net position	\$ 1,819,116	\$ 1,871,372
Adjustments to reconcile change in net position to net cash provided by operating activities:		
(Increase) Decrease in assets:		
Reinsurance receivable	(310,644)	(41,566)
Other receivables	14,075	3,342
Increase (Decrease) in liabilities:		
Accounts payable	(912)	3,143
Unearned revenue	(43,014)	(359)
Unpaid claims liability	38,149	504,557
	<u>\$ 1,516,770</u>	<u>\$ 2,340,489</u>
<b>Net cash provided by operating activities</b>	<u>\$ 1,516,770</u>	<u>\$ 2,340,489</u>

The accompanying notes are an integral part of these financial statements.

**Louisiana Assessors' Insurance Fund**  
**Notes to Financial Statements**  
**December 31, 2021**

**Note 1-Plan Description**

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

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

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

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

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

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

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

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

	<u>2021</u>	<u>2020</u>
Retirees and dependents receiving health care benefits	418	444
Active plan members	<u>639</u>	<u>633</u>
Total membership	<u>1,057</u>	<u>1,077</u>

**Louisiana Assessors' Insurance Fund**  
**Notes to Financial Statements**  
**December 31, 2021**

**Note 2-Summary of Significant Accounting Policies**

A. Basis of Accounting

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

The Plan is a proprietary fund type and is presented as a business type activity. Proprietary fund types are used to account for governmental activities that are similar to those found in the private sector where the determination of operating income and changes in net position are necessary or useful for sound financial administration. GAAP used for proprietary funds are generally those applicable to similar businesses in the private sector (accrual basis of accounting). Premiums are recognized on a monthly prorated basis over the respective terms of the policies. Premiums applicable to the unexpired terms of the policies in force are reported as unearned revenue at the balance sheet date.

B. Use of Estimates

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

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

C. Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments with original maturities of three months or less which are not under investment management for long-term purposes.

D. Reinsurance and Other Receivables

Reinsurance and other receivables are comprised of amounts due from members' reinsurance companies and other sources, stated at the amount the Plan expects to collect. The Plan provides for probable uncollectible amounts through a charge to the allowance for doubtful accounts based on its assessment of the current status of individual accounts. Balances are written off through a charge to the allowance for doubtful accounts and a credit to accounts receivable once amounts are determined to be uncollectible. As of December 31, 2021 and 2020, no allowance for doubtful accounts had been recorded.

E. Furniture and Equipment

Furniture and equipment as shown in Note 4 are stated at cost and depreciated over the estimated useful lives of the assets utilizing the straight-line method. It is the Plan's policy to capitalize expenditures for those items in excess of \$500. Lesser amounts are expensed. The estimated useful lives of the assets are as follows:

Furniture and Equipment	7-10 years
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**Louisiana Assessors' Insurance Fund**  
**Notes to Financial Statements**  
**December 31, 2021**

**Note 2-Summary of Significant Accounting Policies (Continued)**

F. Unpaid Claims Liability

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

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

G. Reinsurance

The Plan uses reinsurance to reduce its exposure to large losses on insured events. Further description of the reinsurance coverage is provided in Note 6. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Plan as direct insurer of the risk reinsured. The Plan does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. Claims expenses consist of claims incurred during the current year, adjustments to the accounting estimate of prior years' claims expense, and a reduction for claims covered by the reinsurer in accordance with the reinsurance policy.

H. Income Taxes

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

**Note 3-Deposits**

As of December 31, 2021, the carrying amount of the Plan's deposit accounts classified as cash and cash equivalents was \$8,046,996 and the bank balance was \$8,047,098, of which \$7,553,996 was protected from custodial credit risk by federal depository insurance. The remainder of the deposit balance was collateralized by a letter of credit issued by the Federal Home Loan Bank.

**Note 4-Furniture and Equipment**

Furniture and equipment as of December 31, 2021 and 2020, is as follows:

	<b>2021</b>	<b>2020</b>
Furniture and equipment	\$ 13,342	\$ 13,342
Accumulated depreciation	(13,342)	(13,342)
	\$ -	\$ -

**Louisiana Assessors' Insurance Fund**  
**Notes to Financial Statements**  
**December 31, 2021**

**Note 5-Claims Expense and Unpaid Claims Reserve**

The following represents changes in the aggregate unpaid claims liabilities for the Plan for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Unpaid claims and loss adjustment expenses at beginning of fiscal year	\$ 1,675,337	\$ 1,170,780
Incurred losses and loss adjustment expenses		
Provision for insured events of current fiscal year	12,961,567	12,095,508
Increases in provision for insured events of prior fiscal years	<u>18,761</u>	<u>40,160</u>
Total incurred losses and loss adjustment expenses	<u>12,980,328</u>	<u>12,135,668</u>
Payments		
Losses and loss adjustment expenses attributable to insured events of current fiscal year	11,248,081	10,420,171
Losses and loss adjustment expenses attributable to insured events of prior fiscal years	<u>1,694,098</u>	<u>1,210,940</u>
Total payments	<u>12,942,179</u>	<u>11,631,111</u>
Unpaid claims and loss adjustment expenses at end of fiscal year	<u>\$ 1,713,486</u>	<u>\$ 1,675,337</u>

**Note 6-Reinsurance Policy Coverage**

The Plan and its reinsurers represent a cooperative program for group funding and risk management of accident and health claims of participating Louisiana assessors. Although premiums billed to the participants are determined on an actuarial basis, ultimate liability for claims remains with the participants, and the Plan has authority to assess the participants to fund any deficits incurred.

The Plan obtained reinsurance from a commercial insurer for specific stop loss coverage that will pay after \$300,000 per individual claim.

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**Louisiana Assessors' Insurance Fund**  
**Notes to Financial Statements**  
**December 31, 2021**

**Note 7-Administrative Expenses**

The following administrative expenses were incurred during the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Administrative allocation	\$ 132,000	\$ 132,000
Bank service charges	400	300
Copier reimbursement	1,634	1,634
Office expenses and supplies	368	-
Other operating expenses	6,885	4,336
Per diem	6,300	3,600
Professional fees	31,924	37,356
Travel	<u>2,247</u>	<u>2,347</u>
Total administrative expenses	<u>\$ 181,758</u>	<u>\$ 181,573</u>

**Note 8-Related Party Transactions**

The Plan is related to the Association and the Retirement Fund through common membership and management. The Plan reimburses the Association for office space, utilities and other shared costs. For the years ended December 31, 2021 and 2020, these reimbursements which were included in administrative expenses were comprised of the following:

	<u>2021</u>	<u>2020</u>
Administrative allocation	\$ 132,000	\$ 132,000
Copier reimbursement	<u>1,634</u>	<u>1,634</u>
Total	<u>\$ 133,634</u>	<u>\$ 133,634</u>

**Note 9-Subsequent Events**

Management of the Plan evaluated all subsequent events through June 14, 2022, the date the financial statements were available to be issued. As a result, the Plan noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

**Required Supplementary Information**

**Louisiana Assessors' Insurance Fund**  
**Schedule of 1-10 Year Claims Development Information**  
**Years Ended December 31, 2012 – 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Required contribution and investment revenue</b>					
Earned	\$ 17,199,882	\$ 16,333,334	\$ 15,224,762	\$ 15,159,348	\$ 13,372,052
Ceded	<u>(2,218,680)</u>	<u>(2,144,721)</u>	<u>(1,930,612)</u>	<u>(1,823,268)</u>	<u>(2,043,093)</u>
Net earned	14,981,202	14,188,613	13,294,150	13,336,080	11,328,959
<b>Unallocated expenses</b>	181,758	181,573	177,929	196,577	169,217
<b>Estimated claims and expenses end of policy year</b>					
Incurred	12,961,567	12,095,508	11,263,012	11,597,471	11,432,935
Ceded	<u>-</u>	<u>-</u>	<u>-</u>	<u>(285,166)</u>	<u>(309,761)</u>
Net incurred	12,961,567	12,095,508	11,263,012	11,312,305	11,123,174
<b>Net paid, cumulative as of</b>					
End of policy year	11,248,081	10,420,171	10,092,232	9,810,750	10,297,917
One year later		12,114,269	11,303,172	11,261,099	11,214,655
Two years later			11,303,172	11,261,099	11,214,655
Three years later				11,261,099	11,214,655
Four years later					11,214,655
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
Ten years later					
<b>Re-estimated net incurred claims and expenses</b>					
End of policy year	12,961,567	12,095,508	11,263,012	11,312,305	11,123,174
One year later		12,114,269	11,303,172	11,261,099	11,214,655
Two years later			11,303,172	11,261,099	11,214,655
Three years later				11,261,099	11,214,655
Four years later					11,214,655
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
Ten years later					
<b>Increase (Decrease) in estimated net incurred claims and expenses from end of policy year</b>	-	18,761	40,160	(51,206)	91,481

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Required contribution and investment revenue</b>					
Earned	\$ 11,641,765	\$ 11,596,792	\$ 11,155,010	\$ 11,138,908	\$ 11,516,976
Ceded	<u>(1,714,579)</u>	<u>(1,595,315)</u>	<u>(1,594,023)</u>	<u>(1,751,929)</u>	<u>(1,522,965)</u>
Net earned	9,927,186	10,001,477	9,560,987	9,386,979	9,994,011
<b>Unallocated expenses</b>	184,838	144,062	141,416	140,959	142,565
<b>Estimated claims and expenses end of policy year</b>					
Incurred	11,004,189	9,578,437	10,876,492	9,601,183	11,106,590
Ceded	<u>(113,609)</u>	<u>(350,203)</u>	<u>(968,097)</u>	<u>(362,160)</u>	<u>(905,156)</u>
Net incurred	10,890,580	9,228,234	9,908,395	9,239,023	10,201,434
<b>Net paid, cumulative as of</b>					
End of policy year	9,416,883	8,239,994	8,706,596	7,637,797	8,807,974
One year later	10,751,360	9,172,434	9,928,053	9,214,548	10,127,680
Two years later	10,751,360	9,172,434	9,928,053	9,214,548	10,127,680
Three years later	10,751,360	9,172,434	9,928,053	9,214,548	10,127,680
Four years later	10,751,360	9,172,434	9,928,053	9,214,548	10,127,680
Five years later	10,751,360	9,172,434	9,928,053	9,214,548	10,127,680
Six years later		9,172,434	9,928,053	9,214,548	10,127,680
Seven years later			9,928,053	9,214,548	10,127,680
Eight years later				9,214,548	10,127,680
Nine years later					10,127,680
Ten years later					
<b>Re-estimated net incurred claims and expenses</b>					
End of policy year	10,890,580	9,228,234	9,908,395	9,239,023	10,201,434
One year later	10,751,360	9,172,434	9,928,053	9,214,548	10,127,680
Two years later	10,751,360	9,172,434	9,928,053	9,214,548	10,127,680
Three years later	10,751,360	9,172,434	9,928,053	9,214,548	10,127,680
Four years later	10,751,360	9,172,434	9,928,053	9,214,548	10,127,680
Five years later	10,751,360	9,172,434	9,928,053	9,214,548	10,127,680
Six years later		9,172,434	9,928,053	9,214,548	10,127,680
Seven years later			9,928,053	9,214,548	10,127,680
Eight years later				9,214,548	10,127,680
Nine years later					10,127,680
Ten years later					
<b>Increase (Decrease) in estimated net incurred claims and expenses from end of policy year</b>	(139,220)	(55,800)	19,658	(24,475)	(73,754)

The preceding table is Supplementary Information required by Governmental Accounting Standards Board Statement Number 30 (GASB 30). The Schedule illustrates how the Plan's earned revenue (net of reinsurance) plus investment income compare to related costs of loss (net of assumed reinsurance) plus other costs at the end of each year.

## **Supplementary Information**

**Louisiana Assessors' Insurance Fund  
Schedules of Per Diem Payments  
Years Ended December 31, 2021 and 2020**

	2021		2020	
	Number of Days	Amount Paid	Number of Days	Amount Paid
Wendy Aguillard	-	\$ -	1	\$ 75
Michael Bealer	-	-	4	300
Katherine P. Broadway	5	375	4	300
Thomas Capella	3	225	1	75
Lance Futch	6	450	1	75
Jeffrey Gardner	3	225	-	-
Kristen Gonzales	7	525	-	-
Rickey Huval	-	-	5	375
Richard Kendrick	6	450	-	-
Daniel Maxwell	6	450	5	375
Heath Pastor	5	375	-	-
Lawrence Patin	7	525	5	375
James Petitjean	7	525	5	375
Justin Phillips	7	525	5	375
Bob Robinson	5	375	2	150
Randy Sexton	4	300	4	300
Tab Troxler	6	450	4	300
Shelia Walker	7	525	2	150
	<u>84</u>	<u>\$ 6,300</u>	<u>48</u>	<u>\$ 3,600</u>

**Louisiana Assessors' Insurance Fund  
Schedule of Compensation, Benefits, and Other Payments to  
Agency Head or Chief Executive Officer  
Year Ended December 31, 2021**

**Tab Troxler, President**

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



**Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Louisiana Assessors' Insurance Fund, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise Louisiana Assessors' Insurance Fund's basic financial statements, and have issued our report thereon dated June 14, 2022.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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



## **Purpose of This Report**

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

*Hawthorn, Waymouth & Carroll, L.L.P.*

June 14, 2022

**Louisiana Assessors' Insurance Fund**  
**Schedule of Findings and Responses**  
**Year Ended December 31, 2021**

Part I. Summary of Audit Results

- 1) An unmodified opinion has been expressed on the financial statements of Louisiana Assessors' Insurance Fund as of and for the year ended December 31, 2021, and the related notes to the financial statements.
- 2) No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
- 3) No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.
- 4) A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required.
- 5) A management letter was not issued.

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

No findings were noted.

**Louisiana Assessors' Insurance Fund**  
**Summary Schedule of Prior Year Findings**  
**Year Ended December 31, 2021**

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

No findings were noted.

Part II. Management Letter

A management letter was not issued for the year ended December 31, 2020.

**Louisiana Assessors' Insurance Fund  
Agreed-Upon Procedures Report  
December 31, 2021**



**Independent Accountant's Report  
on Applying Agreed-Upon Procedures**

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. Louisiana Assessors' Insurance Fund's management is responsible for those C/C areas identified in the SAUPs.

Louisiana Assessors' Insurance Fund has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows. The procedures are stated first, followed by the results of the procedures presented in italics.

***Written Policies and Procedures***

---

1. Obtained and inspected the entity's written policies and procedures and observed that they addressed the following categories and subcategories if applicable to public funds and the entity's operations:

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

*No exceptions were found as a result of this procedure.*

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.

*No exceptions were found as a result of this procedure.*

c) ***Disbursements***, including processing, reviewing, and approving.

*No exceptions were found as a result of this procedure.*

d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- 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.

*No exceptions were found as a result of this procedure.*

- 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 of statements, and (5) monitoring card usage.

*Entity does not have any credit cards; therefore, this procedure is not applicable.*

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

*No exceptions were found as a result of this procedure.*

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

*Entity does not have employees; therefore, this procedure is not applicable.*

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

### **Board or Finance Committee**

---

- 2. Obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*No exceptions were found as a result of this procedure.*

- b) For those entities reporting on the governmental accounting model, observed whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observed that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

*No exceptions were found as a result of this procedure.*

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

*The Entity does not report on the governmental accounting model; therefore, this procedure is not applicable.*

### ***Bank Reconciliations***

---

- 3. Obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Asked management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). Randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:

- a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date;

*No exceptions were found as a result of this procedure.*

- b) Bank reconciliations included evidence that a member of management/board member who did not handle cash, post ledgers, or issue checks had reviewed each bank reconciliation; and,

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

### ***Collections (excluding electronic funds transfers)***

---

- 4. Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) were prepared and management's representation that the listing is complete. Randomly selected 5 deposit sites (or all deposit sites if less than 5).

*No exceptions were found as a result of this procedure.*

- 5. For each deposit site selected, obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site, obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties were properly segregated at each collection location such that:

- a) Employees that were responsible for cash collections did not share cash drawers/registers.

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- 6. Obtained from management a copy of the bond or insurance policy for theft covering all employees who had access to cash. Observed the bond or insurance policy for theft was enforced during the fiscal period.

*No exceptions were found as a result of this procedure.*

- 7. Randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under “Bank Reconciliations” above. Obtained supporting documentation for each of the deposits and:

- a) Observed that receipts were sequentially pre-numbered.

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- d) Observed the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored in a locked safe or drawer).

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*



**Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)**

8. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).

*No exceptions were found as a result of this procedure.*

9. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties, and observed that job duties were properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*No exceptions were found as a result of this procedure.*

- b) At least two employees are involved in processing and approving payments to vendors.

*No exceptions were found as a result of this procedure.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*No exceptions were found as a result of this procedure.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who was not responsible for processing payments.

*No exceptions were found as a result of this procedure.*

10. For each location selected under #8 above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population was complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction, and:

- a) Observed whether the disbursement matched the related original itemized invoice and supporting documentation indicated deliverables included on the invoice were received by the entity.

*No exceptions were found as a result of this procedure.*

- b) Observed whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #8, as applicable.

*No exceptions were found as a result of this procedure.*

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

*These procedures are not applicable to the entity.*

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

12. Using the listing prepared by management, randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card, obtained supporting documentation, and:
  - a) Observed whether there was evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
  - b) Observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions. For each transaction, observed it was supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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

---

14. Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger was complete. Randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*No exceptions were found as a result of this procedure.*
  - b) If reimbursed using actual costs, observed the reimbursement is supported by an original itemized receipt that identified precisely what was purchased.

*No exceptions were found as a result of this procedure.*
  - c) Observed each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation included the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*No exceptions were found as a result of this procedure.*
  - d) Observed each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No exceptions were found as a result of this procedure.*

***Contracts***

---

15. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtained management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- c) If the contract was amended, observed the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

*No exceptions were found as a result of this procedure.*

- d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions were found as a result of this procedure.*

### ***Payroll and Personnel***

---

*These procedures are not applicable to the entity.*

- 16. Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtained attendance records and leave documentation for the pay period, and:
  - a) Observed all selected employees or officials documented their daily attendance and leave.
  - b) Observed whether supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observed any leave accrued or taken during the pay period was reflected in the entity's cumulative leave records.
  - d) Observed the rate paid to the employees or officials agreed to the authorized salary/pay rate found within the personnel file.
- 18. Obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list was complete. Randomly selected two employees or officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agreed the hours to the employee or officials' cumulative leave records, agreed the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.
- 19. Obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

### ***Ethics***

---

*These procedures are not applicable to the entity.*

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtained ethics documentation from management, and:
  - a) Observed whether the documentation demonstrated each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observed whether the entity maintained documentation which demonstrated each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.

### ***Debt Service***

---

*These procedures are not applicable to the entity.*

21. Obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management’s representation that the listing is complete. Selected all debt instruments on the listing, obtained supporting documentation, and observed State Bond Commission approval was obtained for each debt instrument issued.
22. Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.

### ***Fraud Notice***

---

23. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*No exceptions were found as a result of this procedure.*

24. Observed the entity had posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*No exceptions were found as a result of this procedure.*

### ***Information Technology Disaster Recovery/Business Continuity***

---

25. Perform the following procedures, verbally discussed the results with management, and reported “We performed the procedure and discussed the results with management.”:
  - a) Obtained and inspected the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups were stored on a physical medium (e.g., tapes, CDs), observed evidence that backups are encrypted before being transported.

*We performed the procedure and discussed the results with management.*

- b) Obtained and inspected the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.

*We performed the procedure and discussed the results with management.*

- c) Obtained a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly selected 5 computers and observed while management demonstrated that the selected computers had current and active antivirus software and that the operating system and accounting system software in use were currently supported by the vendor.

*We performed the procedure and discussed the results with management.*

***Sexual Harassment***

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*These procedures are not applicable to the entity.*

- 26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtained sexual harassment training documentation from management, and observed the documentation demonstrated each employee/official completed at least one hour of sexual harassment training during the calendar year.
- 27. Observed the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
- 28. Obtained the entity’s annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed it included the applicable requirements of R.S. 42:344:
  - a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints in which the finding of sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and,
  - e) Amount of time it took to resolve each complaint.

We were engaged by Louisiana Assessors' Insurance Fund to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Has we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

*Hawthorn, Weymouth & Carroll, LLP.*

June 14, 2022