

WASHINGTON PARISH ASSESSOR
Franklinton, Louisiana

Annual Financial Statements
As of and for the Year Ended December 31, 2021

Washington Parish Assessor
Annual Financial Statements
As of and for the Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

Honorable James A. Stevenson, Jr.
Washington Parish Assessor
Franklinton, Louisiana

Opinions

I have audited the accompanying financial statements of the governmental activities, and the major fund of the Washington Parish Assessor as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund of the Washington Parish Assessor of December 31, 2021, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Washington Parish Assessor, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions

Responsibilities of Management 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, 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 Washington Parish Assessor'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

My 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 my 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 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, I:

- 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 Washington Parish Assessor'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Washington Parish Assessor's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule on page 39, Schedule of Changes in Total OPEB Liability and Related Ratios on page 41, Schedule of Employer's Share of Net Pension Liability on page 42, and Schedule of Employer Contributions on page 43, 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. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Assessor's basic financial statements. The schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute 24:513 A(3), is presented for purposes of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the amounts paid by the Washington Parish Assessor included on 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.



Robert A. Neilson, CPA

Bogalusa, Louisiana
June 8, 2022

BASIC FINANCIAL STATEMENTS

Washington Parish Assessor
Statement of Net Position
December 31, 2021

| | Governmental Activities |
|---|------------------------------------|
| ASSETS | |
| Cash & Cash Equivalents | \$ 580,230 |
| Investment | 1,178,349 |
| Receivables | 754,980 |
| Prepaid Expenses | 4,200 |
| Net pension asset | 327,081 |
| Capital assets (net) | 28,737 |
| Total Assets | \$ 2,873,577 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension Related | \$ 373,955 |
| OPEB Related | 751,089 |
| LIABILITIES | |
| Accounts Payable | \$ 2,621 |
| Payroll Taxes Payable | 2,170 |
| Capital Lease Obligation | 7,271 |
| Long Term Liabilities | |
| OPEB Obligation | 4,855,360 |
| Total Liabilities | \$ 4,867,422 |
| DEFERRED INFLOWS OF RESOURCES | |
| Pension Related | \$ 615,916 |
| OPEB Related | 946 |
| NET POSITION | |
| Investment in capital assets, net of related debt | \$ 21,466 |
| Unrestricted | (1,507,129) |
| Total Net Position | \$ (1,485,663) |

Washington Parish Assessor
Statement of Activities
 For the Year Ended December 31, 2021

| | <u>Expenses</u> | <u>Program Revenues</u> Charges for Services | <u>Net (Expenses) Revenues and Changes in Net Position Governmental Activities</u> |
|--|-----------------|--|--|
| Governmental Activities: | | | |
| General Government | \$ 1,837,734 | \$ 73,873 | \$ (1,763,861) |
| | | | |
| <u>General Revenues</u> | | | |
| Taxes- Ad Valorem taxes, levied for general purposes | | | 1,159,076 |
| Interest | | | 4,988 |
| Miscellaneous | | | 123 |
| Unrestricted Contributions | | | 148,609 |
| Total General Revenues | | | <u>1,312,796</u> |
| Change in Net Position | | | (451,065) |
| Net Position- Beginning | | | (1,034,598) |
| Net Position- Ending | | | <u><u>\$ (1,485,663)</u></u> |

Washington Parish Assessor
Balance Sheet
Governmental Fund
December 31, 2021

| | |
|--|----------------------------|
| ASSETS | |
| Cash & Cash Equivalents | \$ 580,230 |
| Investment | 1,178,349 |
| Receivables | 754,980 |
| Prepaid Expenses | <u>4,200</u> |
| Total Assets | <u>\$ 2,517,759</u> |
| Deferred Outflows of Resources | <u>\$ -</u> |
| LIABILITIES | |
| Accounts Payable | \$ 2,621 |
| Payroll Taxes Payable | <u>2,170</u> |
| Total Liabilities | <u>4,791</u> |
| Deferred Inflows of Resources | <u>\$ 44,536</u> |
| FUND BALANCE | |
| Unassigned | \$ 2,468,432 |
| Total Fund Balance | <u>\$ 2,468,432</u> |
| Total Liabilities & Fund Balances | <u>\$ 2,517,759</u> |

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

Washington Parish Assessor
 Reconciliation of the Governmental Fund Balance Sheet
 to the Statement of Net Position
 December 31, 2021

Fund Balances- Governmental Fund \$ 2,468,432

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund:

| | | |
|-----------------------------|------------------|--------|
| Governmental Capital Assets | 375,952 | |
| Accumulated Depreciation | <u>(347,215)</u> | 28,737 |

Post Employment Benefits are not a use of current resources, and therefore, are not reported in the fund financial statements. Deferred outflows of resources at year end are:

| | | |
|---|----------------|-----------|
| Deferred Outflows related to pensions | 373,955 | |
| Deferred Outflows related to OPEB obligations | <u>751,089</u> | 1,125,044 |

Long Term Liabilities are not due and payable in the current year and, therefore, are not reported in the governmental fund:

| | | |
|--------------------------|----------------|-------------|
| Capital Lease Obligation | (7,271) | |
| OPEB Obligation | (4,855,360) | |
| Net Pension Asset | <u>327,081</u> | (4,535,550) |

Post Employment Benefits are not a use of current resources, and therefore, are not reported in the fund financial statements. Deferred inflows of resources at year end are:

| | | |
|--|--------------|-----------|
| Deferred Inflows related to pensions | (615,916) | |
| Deferred Inflows related to OPEB Obligations | <u>(946)</u> | (616,862) |

Certain revenues will be collected after year-end but are not available to pay current 44,536

Net Position of Governmental Activities \$ (1,485,663)

Washington Parish Assessor
Statement of Governmental Fund Revenues,
Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2021

| | |
|--|----------------------------|
| Revenues | |
| Property Taxes | \$ 1,145,656 |
| State revenue sharing | 65,132 |
| Interest Income | 4,988 |
| Other Revenues | <u>8,864</u> |
| Total Revenues | <u>1,224,640</u> |
| Expenditures | |
| Salaries and Related Benefits | 812,046 |
| Materials and Supplies | 16,161 |
| Operating Services | 126,042 |
| Travel | 7,817 |
| Capital Expenditures | <u>272</u> |
| Total Expenditures | <u>962,338</u> |
| Excess Revenues Over Expenditures | <u>262,302</u> |
| Fund Balance at Beginning of Year | <u>2,206,130</u> |
| Fund Balance at End of Year | <u><u>\$ 2,468,432</u></u> |

Washington Parish Assessor
 Reconciliation of the Governmental Fund Statement of Revenues,
 Expenditures, and Changes in Fund Balance to the Statement of Activities
 For the Year Ended December 31, 2021

Net Change in Governmental Fund Balance \$ 262,302

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

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives:

| | | |
|----------------------|----------------|---------|
| Capital Outlay | - | |
| Depreciation Expense | <u>(7,415)</u> | (7,415) |

| | |
|---|-------|
| Repayment of debt principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the Statement of Net Position. | 1,283 |
|---|-------|

Some Expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

| | | |
|---|-----------------|-----------|
| OPEB Expense | (915,345) | |
| Assessor's Portion of Retiree Insurance | 66,493 | |
| Pension Expense | <u>(20,411)</u> | (869,263) |

| | |
|--|---------|
| Non Employer Contributions received from the Assessor's Retirement Fund are reported in the statement of activities but not in the revenues of the governmental funds. | 148,609 |
|--|---------|

| | |
|----------------------------|---------------|
| Change in Deferred Revenue | <u>13,419</u> |
|----------------------------|---------------|

| | |
|--|----------------------------|
| Change in Net Position of Governmental Activities | <u>\$ (451,065)</u> |
|--|----------------------------|

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

INTRODUCTION

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

The Assessor's office is located in the Washington Parish Courthouse in Franklinton, Louisiana. The Assessor employs nine employees including eight deputies. 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 to the Louisiana Tax Commission, as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

At December 31, 2021, there are 29,594 real property and 1,189 movable property assessments totaling \$201,191,824 and \$77,235,750, respectively. This represents an increase of 333 real property assessments and an increase of \$8,452,224 in assessed value of real property over the prior year caused primarily due to the large increase in real property assessments. There was a decrease of 32 personal property assessments and a decrease of \$3,867,900 in assessed value from the prior year caused primarily from exempt property being removed from the tax roll.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. REPORTING ENTITY

The assessor is an independently elected official. The Washington Parish Government has determined that the Assessor is not a component unit of Parish Government utilizing criteria established by GASB Statement 14.

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

C. FUND ACCOUNTING

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

Governmental Funds

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

The general fund is the primary operating fund of the assessor and it accounts for all financial resources, except those required to be accounted for in other funds. The general fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the assessor's policy.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the general fund on pages 9 and 11 are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

Fund Financial Statements (FFS) (continued)

other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the assessor's operations.

The amounts reflected in the general fund on pages 9 and 11 use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The assessor considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31st. The taxes are recognized as revenue in the year they are assessed, and generally are collected in December of the current year and January and February of the ensuing year. Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. State revenue sharing is appropriated by the legislature at the end of the calendar year and is recorded in the year of appropriation. Other revenues are recorded in the period received due to the nature of the transactions.

Deferred Inflows of Resources

Deferred revenue are those revenues that are measurable but not yet available, under the modified accrual basis of accounting. Accordingly, they are not recorded as revenue. The balance sheet records the receivable, but includes deferred revenue as its offset.

Expenditures

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

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING *(continued)*

Government-Wide Financial Statements (GWFS)

The Statement of Net Position on page 8 and the Statement of Activities on page 9 display information about the assessor as a whole. These statements include all the financial activities of the assessor.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long term assets and receivables as well as long term obligations. Net position are reported in three parts; invested in capital assets, net of any related debt, restricted net position; and unrestricted net position. The Assessor first uses restricted resources to finance qualifying activities.

The government wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Program Revenues included in the Statement of Activities are derived directly from parties outside the assessor's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the assessor's general revenues.

The Assessor reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

E. BUDGETS

The Washington Parish Assessor adopts an annual budget for the General Fund on the modified accrual basis of accounting for revenues and expenditures. The original proposed budget for 2021 was published in the official journal and made available for public inspection on November 6, 2020. The public hearing for the proposed budget was held on December 11, 2020 as well as the budget was adoption. Formal budget integration is not employed as a management control device during the year. All appropriations lapse at year end. The assessor reserves all authority to make changes to the budget. There were no amendments to the original budget in 2021.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits and amounts on deposit with the Louisiana Asset Management Pool. Cash equivalents include amounts in time deposits. 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 or any other state of the United States, or under the laws of the United States.

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The assessor maintains a threshold level of \$500 or more for capitalizing assets.

Depreciation expense and losses on disposition are reported in the statement of activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following estimated useful lives:

| <u>Description:</u> | <u>Estimated Lives:</u> |
|-----------------------|-------------------------|
| Building Improvements | 25 years |
| Furniture & Equipment | 5-20 years |
| Vehicles | 5 years |

H. COMPENSATED ABSENCES

All employees of the assessor's office earn from five to twenty days of vacation leave each year, depending on the length of service. Vacation leave must be taken during the year earned. However, upon resignation or retirement, employees are paid for unused vacation leave earned during the year. Employees will not be paid for unused vacation if terminated.

All full-time employees earn 12 days of sick leave each year. A total of 45 days of sick leave can be accumulated. All accumulated sick leave lapses upon termination. There were no accumulated and vested leave benefits required to be reported in accordance with GASB Statement No. 16 at December 31, 2021.

I. NET POSITION IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

For the government-wide statement of net position, the net position amount is classified and displayed in three components:

- Net Investment in Capital Assets – This component consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

I. NET POSITION IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS *(continued)*

- by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.
- **Restricted net position** – This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws, regulations, of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** – This component consists of all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

When both restricted and unrestricted resources are available for uses, it is the government’s policy to use restricted resources first, then unrestricted resources as needed.

J. FUND BALANCE

In the governmental fund financial statements, fund balances may be classified as follows:

- **Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** – Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.
- **Committed** – Amounts that can be used only for specific purposes determined by a formal action by the Assessor.
- **Assigned** – Amounts that are designated by the Assessor for a specific purpose but are neither restricted nor committed.
- **Unassigned** – All amounts not included in other spendable classifications.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Assessor uses restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the policy of the Assessor to reduce committed amounts first, followed by assigned amounts and then unassigned amounts.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

K. ESTIMATES

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

L. CURRENT YEAR ADOPTION OF NEW ACCOUNTING STANDARDS

No new GASB statements were adopted during the fiscal year ending December 31, 2021.

M. PENSION PLANS

The Washington Parish Assessor's Office is a participating employer in a cost-sharing, multiple employer defined benefit plan as described in Note 7. 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 each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

N. OPEB PLAN

The Assessor's defined benefit post-employment health care plan provides OPEB to eligible retired employees. The plan provides OPEB for permanent full time employees of the Assessor. The Assessor's OPEB plan is a multi-employer defined benefit OPEB plan. Benefits are provided through the Louisiana Assessors' Retirement Fund. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The authority to establish and/or amend the obligation of the employer, employees, and retirees rests with the Assessor.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

2. LEVIED TAXES

The Washington Parish Assessor is authorized to levy up to 5.37 mills in ad valorem taxes. A 5.37 mill ad valorem tax was levied for the year ended December 31, 2021. The following are the principal taxpayers for the parish:

| <u>Taxpayer</u> | <u>Type of Business</u> | <u>Assessed Valuation</u> | <u>% of Total Assessed Valuation</u> |
|--------------------------|-------------------------|----------------------------|--------------------------------------|
| Temple Inland | Paper mill | \$40,274,220 | 14.5% |
| Entergy Louisiana | Utility | \$ 14,392,510 | 5.1% |
| Florida Gas Transmission | Pipeline | <u>\$ 9,184,700</u> | <u>3.3%</u> |
| TOTAL: | | <u>\$63,851,430</u> | <u>22.9%</u> |

The total assessed valuation for all taxpayers at December 31, 2021 was \$278,427,574. This figure was used in calculating the percentage of the "assessed valuation of each of the largest taxpayers" to the "total assessed valuation for all taxpayers".

3. CASH AND CASH EQUIVALENTS

At December 31, 2021, the assessor had cash and cash equivalents totaling \$580,230 as follows:

| | |
|-----------------|-------------------------|
| Demand deposits | \$420,520 |
| Time deposits | <u>159,710</u> |
| Total | <u>\$580,230</u> |

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

At December 31, 2021 the assessor bank balances equaled \$447,114 in demand deposits and \$159,710 in time deposits. The time deposits are secured from risk by federal deposit insurance in full. However, the demand deposits are only insured by federal deposit insurance up to \$250,000, with the remaining \$197,114 covered by pledged securities.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

4. INVESTMENTS

An investment of \$1,178,349, which is stated at cost and approximates market at December 31, 2021, is invested in the Louisiana Asset Management Pool, Inc. (LAMP).

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

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

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

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for US Government floating variable rate investments. The WAM for LAMP's total investments is 92 days as of December 31, 2021.
- Foreign currency risk: Not applicable.

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

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

4. INVESTMENTS (continued)

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

If you have any questions, please feel free to contact the LAMP administrative office at 1-800-249-5267.

5. RECEIVABLES

The receivables of \$754,980 at December 31, 2021 are as follows:

Class of Receivable

| | |
|-----------------------|-------------------------|
| Ad valorem taxes | \$ 683,925 |
| City Taxes | 5,923 |
| State revenue sharing | <u>65,132</u> |
| Total | <u>\$754,980</u> |

Ad valorem taxes receivable are recorded net of any estimated uncollectible amount.

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2021 are as follows:

| | Building Improvements | Equipment Under Lease | Furniture & Equipment | Vehicles | TOTAL |
|--|--------------------------|-----------------------------|--------------------------|------------|-----------------|
| Capital Assets 12/31/20 | \$61,314 | \$0 | \$287,561 | \$18,523 | \$367,398 |
| Additions | | 8,554 | | | 8,554 |
| Deletions | | | | | |
| Capital Assets 12/31/21 | 61,314 | 8,554 | 287,561 | 18,523 | 375,952 |
| Accumulated Depreciation 12/31/20 | 53,496 | 0 | 267,781 | 18,523 | 339,800 |
| Additions | 1,305 | 1,283 | 4,827 | 0 | 7,415 |
| Deletions | | | | | |
| Accumulated Depreciation 12/31/21 | 54,801 | 1,283 | 272,608 | 18,523 | 347,215 |
| Capital Assets, Net of Accumulated Depreciation, 12/31/21 | \$6,513 | \$7,271 | \$14,953 | \$0 | \$28,737 |

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

6. CAPITAL ASSETS (continued)

Capital assets on the statement of position include \$8,554 of new additions. For the year ended December 31, 2021, depreciation expense was \$7,415 of which accumulated amortization for capital lease equipment is included in the accumulated depreciation for all capital assets.

7. PENSION PLAN

The Louisiana Assessors' Retirement Fund (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 Statutes 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.

Summary of Significant Accounting Policies

The Fund prepares its employer schedules in accordance with Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and outflows.

The Fund's employer schedules were prepared using the accrual basis of accounting. Employer contributions, on which the employer allocations are based, are recognized in the period in which the employee is compensated for services performed.

Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the Fund's collective net pension liability. The Fund's plan fiduciary net position was determined using the accrual basis of accounting. The Fund's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates and assumptions primarily relate to actuarial evaluations or unsettled transactions and events as of the date of the financial statements and estimates in the determination of the fair market value of the Fund's investments. Accordingly, actual results may differ from estimated amounts.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

7. PENSION PLAN (continued)

A. Eligibility Requirements

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.

B. Retirement Benefits

Employees who became members prior to October 1, 2006, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 36 consecutive months multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2006, but before October 1, 2013, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2013, but who have less than thirty years of service are entitled to annual pension benefits equal to three percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2013, and have thirty or more years of service are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members may elect to receive their pension benefits in the form of a joint and survivor annuity.

If members 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 to receive the actuarial equivalent of their retirement allowance in a reduced retirement payable throughout life with the following options:

1. If the member dies before he has received in retirement payments purchased by his contributions the amount he had contributed to the fund before his retirement, the balance shall be paid to his legal representatives or to such person as he shall nominate by written designation.
2. Upon member's death, his reduced retirement allowance shall be continued through the life of and paid to his surviving spouse.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

7. PENSION PLAN (continued)

3. Upon member's death, one half of his reduced retirement allowance shall be continued throughout the life of and paid to his surviving spouse.
4. The member may elect to receive a board-approved benefit or benefits that together with the reduced retirement allowance shall be of equivalent actuarial value to his retirement allowance.

C. Survivor Benefits

The Fund provides benefits for surviving spouses and minor children under certain conditions which are outlined in the Louisiana Revised Statutes.

D. 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.

E. 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 R.S. 11:1456.1.

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.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

7. PENSION PLAN (continued)

E. Back-Deferred Retirement Option Plan (Back-DROP) (continued)

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 period.
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 member 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

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

7. PENSION PLAN (continued)

E. Back-Deferred Retirement Option Plan (Back-DROP) (continued)

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 his previously paid retirement benefits that are attributable to the member's annuity payments as provided by the annuity savings fund.

F. 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 8.00% 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. The actuarially-determined employer contribution rate was 2.85% for the year ended September 30, 2021. The actual employer contribution rate was 8% of members' earnings for the years ended September 30, 2021.

The fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state except for Orleans Parish, which is one percent, 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 Systems' Actuarial Committee.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

7. PENSION PLAN (continued)

Schedule of Employer Allocations (continued)

Schedule of Employer Allocations

The schedule of employer allocations reports the employer contributions in addition to the employer allocation percentage. The employer contributions are used to determine the proportionate relationship of each employer to all employers of the Fund. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's contribution effort to the plan for the current fiscal year as compared to the total of all employers' contribution effort to the plan for the current fiscal year. The employers' contribution effort was based on actual employer contributions made to the Fund for the fiscal year ended September 30, 2021.

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

At December 31, 2021, the Assessor reported an asset of \$327,081 for its proportionate share of the net pension assets. The net pension asset was measured as of September 30, 2021 and the total pension asset used to calculate the net pension asset as determined by an actuarial valuation as of that date. The Assessor's proportion of the net pension asset was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2021, the Assessor's proportion was 0.994907%, which was a decrease of 0.08549% from its proportion measured as of September 30, 2020.

For the year ended December 31, 2021, the Assessor recognized pension expense of \$32,061 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was \$20,411. The total pension expense for the Assessor for the year ended December 31, 2021 was \$52,472.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

7. PENSION PLAN (continued)

Schedule of Employer Allocations (continued)

At December 30, 2021, the Assessor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows Of Resources | Deferred Inflows Of Resources |
|---|---|--|
| Difference between expected and actual experience | \$26,161 | \$86,983 |
| Change in assumptions | 339,449 | - |
| Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions | 3,147 | 7,871 |
| Net differences between projected and actual earnings on plan investments | - | 521,062 |
| Contributions subsequent to the measurement date | 5,198 | - |
| TOTAL | <u>\$373,955</u> | <u>\$615,916</u> |

Deferred outflows of resources of \$5,198 related to pensions resulting from the Assessor's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended December 30,</u> | |
|--------------------------------|---------------------------|
| 2021 | \$(49,308) |
| 2022 | (54,162) |
| 2023 | (96,099) |
| 2024 | (71,006) |
| 2025 | <u>23,755</u> |
| | <u>\$(246,820)</u> |

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

7. PENSION PLAN (continued)

Schedule of Pension Amounts by Employer

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability, the various categories of deferred outflows of resources, the various categories of deferred inflows of resources, and the various categories of pension expense. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocations.

Actuarial Methods and Assumptions

Net Pension Liability

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the Fund's participating employers are as follows:

| | |
|---|----------------------------|
| Total pension liability | \$507,071,744 |
| Plan fiduciary net position | <u>539,947,818</u> |
| Net Pension Liability (Asset) | <u>\$ (32,876,074)</u> |
| Plan Fiduciary net position as a percentage of total pension liability | 106.48% |

The current year actuarial assumptions utilized for this report are based on the assumptions used in the September 30, 2021 actuarial funding valuation, which (with the exception of mortality) were based on results of an actuarial experience study for the period October 1, 2014 through September 30, 2019. All assumptions selected were determined to be reasonable and represent expectations of future experience for the Fund.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

7. PENSION PLAN (continued)

Actuarial Methods and Assumptions (continued)

Additional information on the actuarial methods and assumptions used as of September 30, 2020 actuarial valuation follows:

| | |
|---|---|
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return (discount rate) | 5.50%, net position plan investment expense, including inflation |
| Inflation Rate | 2.10% |
| Salary Increases | 5.25% |
| Annuitant and beneficiary mortality | Pub-2010 Public Retirement Plan Mortality Table for General Healthy Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale. |
| Active Members Mortality | Pub-2010 Public Retirement Plan Mortality Table for General Employees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale. |
| Disabled Lives Mortality | Pub-2010 Public Retirement Plan Mortality Table for General Disabled Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale. |

Discount Rate

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, of 2.5% and an adjustment for the effect of rebalancing/diversification. The resulting long-term expected arithmetic nominal return was 8.37% as of September 30, 2021.

Best estimates of arithmetic real rates of return for each major asset class included in the Fund target asset allocation as of September 30, 2021, are summarized in the following table:

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

7. PENSION PLAN (continued)

Discount Rate (continued)

| <u>Asset Class</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|---|
| Domestic equity | 7.50% |
| International equity | 8.50% |
| Domestic bonds | 2.50% |
| International bonds | 3.50% |
| Real estate | 4.50% |
| Alternative Assets | 5.87% |

The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions, the Fund'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 to Changes in Discount Rate

The following presents the net pension liability calculated using the discount rate of 5.50%, as well as what the net pension liability of the participating employers would be if it were calculated using a discount rate that is one percentage point lower (4.50%) or one percentage point higher (6.50%) than the current rate:

| Net Pension Liability (Asset) | Changes in Discount Rate | | |
|--|---------------------------------|--|--------------------------------|
| | 1% Decrease (4.50%) | Current Discount Rate (5.50%) | 1% Increase (6.50%) |
| Plan | \$25,211,651 | \$(32,876,074) | \$(82,195,177) |
| Assessor | \$250,833 | \$(327,081) | \$(817,765) |

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

7. PENSION PLAN (continued)

Changes in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2021 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

The difference between expected and actual experience resulted in a deferred outflow of resources in the amount of \$26,161 and a deferred inflow of resources in the amount of \$86,983 for the year ended December 31, 2021.

Differences between Projected and Actual Investment Earnings

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

The difference between projected and actual investment earnings resulted in a deferred inflow of resources in the amount of \$521,062 for the year ended December 31, 2021.

Changes of Assumptions or Other Inputs

Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$339,499 for the year ended December 31, 2021.

Changes in Proportion

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

7. PENSION PLAN (continued)

Change in Net Pension Liability (continued)

Changes in proportion resulted in a deferred outflow of resources of \$3,147 and deferred inflow of resources in the amount of \$7,871 for the year ended December 31, 2021.

Contributions - Proportionate Share

Differences between contributions remitted to the Fund and the employer's proportionate share are recognized in pension expense (benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of pension amounts by employer due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

Retirement Fund Audit Report

The Fund has issued a stand-alone audit report on its financial statements for the year ended September 30, 2021. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.la.gov, or by contacting the Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

8. DEFERRED COMPENSATION PLAN

The Assessor offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457, which is a type of defined contribution plan. The plan is administered by the Louisiana Deferred Compensation Commission. The plan, available to all full-time employees of the assessor, permits them to defer a portion of their salary until future years.

All amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by Great West Life & Annuity Insurance Co. for the exclusive benefit of the participants and their beneficiaries.

Participants may contribute up to 100% of their salary with the assessor matching up to 9% of compensation. Maximum annual contributions for participants under age 50 and for participants age 50 and older may not exceed \$19,500 and \$39,000 respectively. All contributions are immediately vested. The assessor contributed \$34,489 to the plan during the year ended December 31, 2021.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

Continuing health care and life insurance benefits are provided for those retired employees who have reached normal retirement age while employed by the Assessor. The plan is a cost sharing, multiple employer defined benefit health care plan administered by the Insurance Committee of the Assessor's Insurance Fund dba Louisiana Assessor's Association. The Insurance Committee of the Assessor's Insurance Fund has the authority to establish and amend the benefit provisions of the plan. The plan issued a publicly available financial report. The report can be obtained through the Louisiana Legislative Auditor's website. Effective with the year ending December 31, 2021, the Washington Parish Assessor implemented Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. No assets are accumulated in a trust that meets the criteria of paragraph 4 of Statement No. 75.

Benefits Provided

The Assessor provides medical, dental, and life insurance coverage for eligible employees, retirees, and their dependents through the Louisiana Assessor's Association. The Assessor pays for the cost of the employee's retiree's medical, dental, and life coverage. The retiree can also elect to cover his or her spouse and dependents but must pay the entire premium for their coverage. The Assessor recognizes the cost of providing these benefits (the Assessor's portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay as you go basis.

Relationship Between Valuation Date, Measurement Date, and Reporting Date

The Valuation Date is January 1, 2020. This is the date as of which the actuarial valuation is performed. The Measurement Date is December 31, 2021. This is the date as of which the total OPEB liability is determined. The reporting date is December 31, 2021. This is the plan's and/or employer's fiscal year ending date.

Significant Changes

There have been no significant changes between the valuation date and fiscal year end.

Participant Data as of January 1, 2020

| | |
|---------------------|-----------|
| Actives | 7 |
| Retirees | 7 |
| Beneficiaries | 0 |
| Spouses of Retirees | <u>0</u> |
| TOTAL | <u>14</u> |

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Total OPEB Liability

The Assessor's total OPEB Liability of \$4,855,360 was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date.

Actuarial Assumptions & Other Inputs

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. Under this method, a projected retirement benefit at assumed retirement age is computed for each participant using anticipated future pay increases. The normal cost for each participant is computed as the level percentage of pay, which is paid from each participant's date of employment by the employer or any predecessor employer (thus, entry age) to his assumed retirement date, would accumulate with interest at the rate assumed in the valuation to an amount sufficient to fund his projected retirement benefit. The normal cost of the plan is the total of the individually computed normal costs for all participants including the costs for any death or disability benefits under the plan.

The accrued liability at any point in time for an active participant is the theoretical fund that would have been accumulated on his behalf from his normal cost payments and the earnings thereon for all prior years if the plan had always been in effect. For persons receiving benefits or entitled to a deferred vested retirement income, the accrued liability cost is equal to the present value of their future benefit payments. The accrued liability for the plan is the total of the individually computed accrued liability for all participants. The unfunded accrued liability for the plan is the excess of the accrued liability over the assets which have been accumulated for the plan.

It should be noted that the accrued liability as of any date is not the actuarially computed present value of accrued or accumulated plan benefits as of that date. The accrued liability is the portion of the ultimate cost assigned to prior years by the cost method being used.

In addition to the actuarial method used, actuarial cost estimates depend to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment, and retirement rates. In the current valuation, the actuarial assumptions used for the calculation of costs and liabilities are as follows:

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Actuarial Assumptions & Other Inputs (continued)

Other Key Actuarial Assumptions:

The plan has not had a formal actuarial experience study performed.

Valuation Date:

January 1, 2020

Measurement Date:

Benefit liabilities are valued as of December 31, 2021.

Discount Rate:

2.06% per annum, compounded annually.

Mortality Rates:

Healthy Retirement: Sex Distinct Pub- 2010 General Mortality with separate employee and healthy annuitant rates, projected generationally using Scale MP-2021.

Beneficiaries: Sex Distinct Pub-2010 General Contingent Survivors Mortality, projected generationally using Scale MP-2021.

Disability Retirement: Sex Distinct Pub-2010 General Disabled Retirees Mortality, projected generationally using Scale MP-2021.

Withdrawal Rates:

The rates for both males and females decrease in range from 12% for participants with less than one year of service to 1% for those with 16 years or greater of service.

Disability Rates:

The rates for both males and females increase in range from 0.006% for participants aged 34 up to 0.195% for participants aged 60 or greater.

Retirement Rates:

The rates for both males and females increase in range from 22% for participants aged 46 to 49 up to 28% for those aged 63 or greater.

Participant Assumption

100% of participants are assumed to elect retiree medical coverage upon retirement.

Marriage Assumption

For actives, it is assumed that husbands are three years older than their wives with 40% of active participants electing spouse coverage at retirement.

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Actuarial Assumptions & Other Inputs (continued)

Compensation Increase

3.00% per annum, compounded annually.

Inflation Rate

2.20% per year

Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|--|------------------------------------|
| Balance at 12/31/20 | \$4,628,657 |
| <u>Changes for the year:</u> | |
| Service Cost | 127,442 |
| Interest | 100,129 |
| Effect of economic/demographic gains or losses | 0 |
| Changes in Assumptions/Inputs | 65,595 |
| Benefit Payments | <u>(66,463)</u> |
| Net Changes | \$226,703 |
| Balance at 12/31/21 | <u>\$4,855,360</u> |

Sensitivity to the Total OPEB Liability to Changes in the Discount Rate:

The following presents the total OPEB liability of the Assessor, as well as what the Assessor's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|----------------------|--------------------|--------------------------|--------------------|
| | <u>1.06%</u> | <u>2.06%</u> | <u>3.06%</u> |
| Total OPEB Liability | <u>\$5,756,848</u> | <u>\$4,855,360</u> | <u>\$4,139,712</u> |

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Sensitivity to the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:

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

| | 1% Decrease | Current Discount Rate | 1% Increase |
|----------------------|--------------------|--------------------------|--------------------|
| Total OPEB Liability | <u>\$4,117,805</u> | <u>\$4,855,360</u> | <u>\$5,793,866</u> |

OPEB Expense and Deferred Outflows and Inflows of Resources related to OPEB:

For the year ended December 31, 2021, the Assessor recognized an OPEB Expense of \$915,314. At December 31, 2021, the Assessor reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$330,626 | (\$946) |
| Changes in assumptions or other inputs | \$420,463 | \$0 |
| Amounts paid subsequent to the measurement date | \$0 | \$0 |
| Total | <u>\$751,089</u> | <u>(\$946)</u> |

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

Year Ended December,

| | |
|------------|-----------|
| 2022 | \$455,309 |
| 2023 | 278,808 |
| 2024 | 16,026 |
| 2025 | 0 |
| 2026 | 0 |
| Thereafter | 0 |

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

10. CAPITAL LEASE OBLIGATIONS

The Washington Parish Assessor records items under capital leases as an asset and an obligation in the accompanying financial statements.

| | Capital Lease Obligations |
|--|----------------------------------|
| Capital Lease Additions | \$8,554 |
| Capital Lease Reductions | <u>(1,283)</u> |
| Ending Balance at December 31, 2021 | <u>\$7,271</u> |

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the new minimum lease payments as of December 31, 2021:

| Years Ending: | Minimum Lease Commitments |
|----------------------|----------------------------------|
| 2022 | \$1,711 |
| 2023 | 1,711 |
| 2024 | 1,711 |
| 2025 | 1,711 |
| 2026 | <u>427</u> |
| TOTAL | <u>\$7,271</u> |

11. EXPENDITURES FOR THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS

Certain operating expenditures of the assessor's office are paid by the Washington Parish Government as required by Louisiana Revised Statute 33:4713. The Assessor's office is located in the Washington Parish Courthouse, and the upkeep and maintenance of the courthouse are paid by the Washington Parish Government. These expenditures are not reflected in the accompanying financial statements.

12. RISK MANAGEMENT

The Assessor is exposed to various risks of loss related to limited torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered, in part, by commercial insurance. Settlements have not exceeded insurance coverage in each of the past three years.

13. INTERGOVERNMENTAL AGREEMENT

During 1994, the Washington Parish Assessor entered into an intergovernmental agreement with the Washington Parish Police Jury, now the Washington Parish Government, and other elected officials of the parish to provide security for the main

Washington Parish Assessor
Notes to the Financial Statements
December 31, 2021

13. INTERGOVERNMENTAL AGREEMENT (continued)

courthouse building. Under the terms of the agreement, the assessor voluntarily contributes to the project its estimated share of the costs involved. The assessor paid \$0 in 2021.

14. TAX ABATEMENTS

The Washington Parish Assessor's Office is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP") and the Restoration Tax Abatement Program ("RTAP").

Under the ITEP, as authorized by Article 7, Section 21(F), of the Louisiana Constitution and Executive Order Number JBE 2016-73, companies that qualify as manufacturers can apply to the State Board for a property tax exemption on all new property, as defined, used in the manufacturing process. Under the ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. The exemptions are granted for a 5 year term and are renewable for an additional 5 year term upon approval by the State Board. In the case of the local government, these state-granted abatements, have resulted in reductions of property taxes, which the tax assessor administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement.

Taxes abated for the Assessor for the fiscal year ended December 31, 2021 was \$196,266.

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 8, 2022, and determined that one disclosure is needed.

The COVID-19 outbreak in the United States and Louisiana has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the Washington Parish Assessor and the duration cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

Washington Parish Assessor

Governmental Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2021

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Favorable (Unfavorable)</u> |
|--|----------------------------|----------------------------|---|
| Revenues | | | |
| Property Taxes | \$ 1,021,000 | \$ 1,145,656 | \$ 124,656 |
| State revenue sharing | 62,000 | 65,132 | 3,132 |
| Interest Income | 3,000 | 4,988 | 1,988 |
| Other Revenues | 27,000 | 8,864 | (18,136) |
| Total Revenues | <u>\$ 1,113,000</u> | <u>\$ 1,224,640</u> | <u>\$ 111,640</u> |
| Expenditures | | | |
| Salaries and Related Benefits | \$ 874,300 | \$ 812,046 | \$ 62,254 |
| Materials and Supplies | 15,000 | 16,161 | (1,161) |
| Operating Services | 183,700 | 126,042 | 57,658 |
| Travel | 5,000 | 7,817 | (2,817) |
| Capital Expenditures | 35,000 | 272 | 34,728 |
| Total Expenditures | <u>\$ 1,113,000</u> | <u>\$ 962,338</u> | <u>\$ 150,662</u> |
| Excess Revenues Over Expenditures | <u>\$ -</u> | <u>\$ 262,302</u> | <u>\$ 262,302</u> |
| Fund Balance at Beginning of Year | <u>2,206,130</u> | <u>2,206,130</u> | <u>-</u> |
| Fund Balance at End of Year | <u><u>\$ 2,206,130</u></u> | <u><u>\$ 2,468,432</u></u> | <u><u>\$ 262,302</u></u> |

Washington Parish Assessor
Schedule of Changes in Total OPEB Liability and Related Ratios
For the year ended December 31, 2021

| <u>Total OPEB Liability</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| Service Cost | \$ 127,442 | \$ 108,598 | \$ 90,483 | \$ 52,146 |
| Interest | 100,129 | 97,083 | 111,560 | 54,219 |
| Effect of economic/demographic gains or losses | - | 666,288 | - | (38,814) |
| Changes in assumptions or other inputs | 65,595 | 342,146 | 651,677 | 1,097,680 |
| Benefit payments | (66,463) | (39,818) | (59,106) | (58,446) |
| Net Change in Total OPEB Liability | <u>\$ 226,703</u> | <u>\$ 1,174,297</u> | <u>\$ 794,614</u> | <u>\$ 1,106,785</u> |
| Total OPEB Liability-Beginning | <u>\$ 4,628,657</u> | <u>\$ 3,454,360</u> | <u>\$ 2,659,746</u> | <u>\$ 1,552,961</u> |
| Total OPEB Liability-End | <u>\$ 4,855,360</u> | <u>\$ 4,628,657</u> | <u>\$ 3,454,360</u> | <u>\$ 2,659,746</u> |
| Covered Employee Payroll | \$ 562,591 | \$ 601,691 | \$ 579,995 | \$ 574,347 |
| Total OPEB Liability as a percentage of covered employee payroll | 863.04% | 769.27% | 595.58% | 463.09% |

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

Washington Parish Assessor
 Schedule of Employer's Share of Net Pension Liability
 For the Year Ended December 31, 2021*

| Year End | Employer Proportion of the Net Pension Liability (Asset) | Employer Proportionate Share of the Net Pension Liability (Asset) | Employer's Covered Payroll | Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|----------|--|---|----------------------------|---|--|
| 2021 | 0.994910% | \$ (327,086) | \$ 460,567 | -71.02% | 106.48% |
| 2020 | 1.080390% | \$ 165,058 | \$ 496,651 | 33.23% | 96.79% |
| 2019 | 1.118880% | \$ 295,140 | \$ 497,776 | 59.3% | 94.12% |
| 2018 | 1.128273% | \$ 219,340 | \$ 497,326 | 44.1% | 95.46% |
| 2017 | 1.113936% | \$ 195,464 | \$ 489,040 | 40.0% | 95.61% |
| 2016 | 1.048039% | \$ 369,822 | \$ 456,290 | 81.0% | 90.68% |
| 2015 | 1.006877% | \$ 526,922 | \$ 429,026 | 122.8% | 85.57% |
| 2014 | 1.058188% | \$ 369,939 | \$ 428,622 | 86.3% | 90.0% |

*The amounts presented have a measurement date of the previous fiscal year end.

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

Washington Parish Assessor
Schedule of Employer Contributions
For the Year Ended December 31, 2021

| Year End | Contractually Required Contribution ¹ | Contributions in Relation to Contractual Required Contributions ² | Contribution Deficiency (Excess) | Employer's Covered Payroll ³ | Contributions as a % of Covered Payroll |
|----------|--|--|--|---|--|
| 2021 | \$ 35,121 | \$ 35,121 | \$ - | \$ 439,015 | 8.00% |
| 2020 | \$ 39,818 | \$ 39,818 | \$ - | \$ 497,776 | 8.00% |
| 2019 | \$ 39,822 | \$ 39,822 | \$ - | \$ 497,776 | 8.00% |
| 2018 | \$ 39,822 | \$ 39,822 | \$ - | \$ 497,776 | 8.00% |
| 2017 | \$ 46,892 | \$ 46,892 | \$ - | \$ 493,718 | 9.50% |
| 2016 | \$ 59,595 | \$ 59,595 | \$ - | \$ 472,376 | 12.62% |
| 2015 | \$ 57,384 | \$ 57,384 | \$ - | \$ 425,067 | 13.50% |
| 2014 | \$ 58,298 | \$ 58,298 | \$ - | \$ 431,833 | 13.50% |

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

For Reference Only:

1. Employer contribution rate multiplied by employer's covered payroll.
2. Actual employer contributions remitted to Louisiana Assessors' Retirement Fund.
3. Employer's covered payroll amount for the year ended December 31 of each year.

Washington Parish Assessor
Notes to the Required Supplementary Information
December 31, 2021

NOTE 1: Budget and Budgetary Accounting

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

1. Management prepares a proposed budget and is made available for public inspection no later than 15 days prior to the beginning of the fiscal year in accordance with state law.
2. The Assessor is responsible for adopting the budget in an open meeting before the end of the fiscal year in accordance with state law.
3. The original budget is prepared based on historical data and projections.
4. Due to the high cost of publications, the budget is only amended once per year, if revenues or expenditures have an unfavorable variance of 5% or greater. That determination is made based on year to date information provided by the outside accountant and any known, upcoming expenditures not yet recorded.
5. For the year ended December 31, 2021, the general fund did not have excess expenditures over appropriations and budgeted revenues were less than actual, both resulting in favorable variances.

NOTE 2: Pension Plan

In 2021, the investment rate of return decreased by 0.25% resulting in an investment rate of return for LARF of 5.50%. Inflation rate remained constant at 2.1% and salaries increases remained constant at 5.25%.

NOTE 3: OPEB Plan

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 9 to the financial statements.

The Assessor has not presented a Schedule of Contributions since an actuarial determined contribution amount has not been calculated and there is no contractually or statutorily determined contribution applicable to the Assessor. The current funding policy is to pay benefits from the general fund on a pay-as you-go basis.

There are no changes to the benefit terms.

In 2021, the inflation rate remained constant at a rate of 2.2%, additionally the discount rate decreased from 2.12% to 2.06%. The decreases in these rates resulted in a downward medical trend. There was no change in the dental trend.

SCHEDULE REQUIRED BY STATE LAW LSA RS 24:513A(1)(a)(3)

Washington Parish Assessor
Schedule of Compensation, Benefits and Other Payments to Agency Head
Schedule Required by State Law LSA RS 24:513A(1)(a)(3)
For the Year Ended December 31, 2021

Agency Head:

James A. Stevenson, Jr.

| Purpose | Amount |
|--|-------------------|
| Gross Salary (LA RS 47:1907) | \$ 131,797 |
| Expense Allowance (LA RS 47:1907) | 13,180 |
| Car Allowance (LA RS 47:1908) | 21,746 |
| Health Insurance- employer portion (LA RS 47:1912) | 13,010 |
| Retirement-employer portion (LA RS 11:1418) | 23,196 |
| Deferred Compensation-employer portion | 13,000 |
| Education and Meeting Expenses | 2,916 |
| TOTAL | \$ 218,845 |

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

Honorable James A. Stevenson, Jr.
Washington Parish Assessor
Franklinton, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and major fund of the Washington Parish Assessor, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Washington Parish Assessor's basic financial statements, and have issued my report thereon dated June 8, 2022.

Internal Control over Financial Reporting

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

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

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Washington Parish Assessor's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not

express such an opinion. The results of my 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 my 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Robert A. Neilson, CPA

Bogalusa, Louisiana

June 8, 2022

Washington Parish Assessor
Corrective Action Plan for Current Year Audit Findings
For the Year Ended December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

| | | |
|--|------------------------------|--|
| Type of Auditor's Report Issued | | Unmodified |
| Material Weakness Identified | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Significant Deficiency identified that are not considered material weaknesses? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Noncompliance material to financial statements noted? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Section II - Findings Affecting the Financial Statements

None

Section III - Compliance and Other Matters

None

Washington Parish Assessor
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2021

Section I - Summary of Auditor's Results

None

Section II - Findings Affecting the Financial Statements

None

Section III - Compliance and Other Matters

None

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

June 8, 2022

The Honorable James A. Stevenson, Jr.
Washington Parish Assessor
908 Washington St
Franklinton, LA 70438

I 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 ending December 31, 2021. The Washington Parish Assessor is responsible for those C/C areas identified in the SAUPs.

The Washington Parish Assessor 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 ending 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:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of 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
 - 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.
 - c) **Disbursements**, including processing, reviewing, and approving

- 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 (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).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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
- 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 (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The Washington Parish Assessor's Office provided all the policies reference above.

Board or Finance Committee

2. Obtain and inspect 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) Observe 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.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe 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.*
- c) For governmental entities, obtain the prior year audit report and observe 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, observe 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 Washington Parish Assessor's Office does not have a board of directors or similar body; therefore, the procedures listed above were not applicable.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exception: Management has asserted that the bank statements are reconciled monthly and approved by the Assessor when given by the outside accountant in their monthly reports, however, there is no evidence of that.

Management's Response: We will ask the outside accountant to print the reconciliation date on the bank statement when prepared and management will initial for approval of the reconciliation before filed monthly.

Collections (excluding EFTs)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are 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.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
- [Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe 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 select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions.

Contracts

15. Obtain 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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain 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) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that 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.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete Randomly select two

employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

No exceptions.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Exception: *One employee selected did not have the ethics training documented in his personnel file.*

Management's Response: *We will ensure that all employees complete the annual ethics training and that such training is documented in the personnel file.*

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

The Assessor's Office has no outstanding debt as of December 31, 2021.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the

misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

24. Observe that the entity has 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.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures

- a. Obtain and inspect 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 observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b. Obtain and inspect 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 observe evidence that the test/verification was successfully performed within the past 3 months.
- c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

No exceptions.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe that 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. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes 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 which resulted in a finding that 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.

No exceptions.

I was engaged by Washington Parish Assessor 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*. I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Washington Parish Assessor and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to my 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.


Robert A. Neilson, CPA, LLC

Bogalusa, LA
June 8, 2022