# MOREHOUSE PARISH ASSESSOR
**Bastrop, Louisiana**

**Annual Financial Statements**
**With Independent Auditor's Report**
**As of and for the Year Ended**
**December 31, 2020**

MOREHOUSE PARISH ASSESSOR
Bastrop, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended December 31, 2020
With Supplemental Information Schedules

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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

## Independent Auditor's Report

MOREHOUSE PARISH ASSESSOR
Bastrop, Louisiana

### Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and the major fund of the Morehouse Parish Assessor, a component unit of the Morehouse Parish Police Jury, as of December 31, 2020, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

***Opinions***

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 information of the Morehouse Parish Assessor as of December 31, 2020, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Emphasis of a Matter***

As described in Note 9 to the financial statements, operations of the Morehouse Parish Assessor are impacted by the pandemic caused by the Coronavirus/COVID-19. The Morehouse Parish Assessor is uncertain how and to what extent the pandemic will negatively affect operations, financial position, cash flows, and the ability to provide services. My opinion is not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule and notes to required supplementary information, the Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of Employer's share of the Net Pension Liability, and the Schedule of Employer Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 managements's responses to my 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.

*Other Information*

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Morehouse Parish Assessor's office basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head on page 43 is presented for the purpose of additional analysis and is not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, I have also issued a report dated April 23, 2021, on my consideration of the East Carroll Parish Assessor's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the East Carroll Parish Assessor's internal control over financial reporting and compliance.

West Monroe, Louisiana
April 23, 2021

## REQUIRED SUPPLEMENTARY INFORMATION
## PART I

**MOREHOUSE PARISH ASSESSOR**
Bastrop, Louisiana

**Management's Discussion and Analysis**
December 31, 2020

As management of the Morehouse Parish Assessor, I offer readers of the Morehouse Parish Assessor's financial statements this narrative overview and analysis of the financial activities of the Morehouse Parish Assessor for the fiscal year ended December 31, 2020. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the Assessor's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Assessor's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

***Government-wide financial statements.*** The *government-wide financial statements* are designed to provide readers with a broad overview of the Morehouse Parish Assessor's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Morehouse Parish Assessor's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Morehouse Parish Assessor is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

***Fund financial statements.*** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Morehouse Parish Assessor, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Morehouse Parish Assessor are governmental funds.

***Governmental funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Morehouse Parish Assessor adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Morehouse Parish Assessor's performance.

**Government-wide financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, liabilities of the Morehouse Parish Assessor exceeded assets by $1,301,415. Less than 1% of the Morehouse Parish Assessor's net position reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

The balance in unrestricted net position if affected by two factors: 1) resources expended, overtime, by the Morehouse Parish Assessor to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets being included in the statement of net position.

STATEMENT OF NET POSITION

| ASSETS | 2020 | 2019 |
|---|---|---|
| Cash and cash equivalents | $27,575 | $35,548 |
| Receivables | 540,175 | 506,629 |
| Capital assets (net of accumulated depreciation) | 3,222 | 4,686 |
| TOTAL ASSETS | 570,972 | 546,863 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | |
| Pension and OPEB related | 700,286 | 523,879 |
| **LIABILITIES** | | |
| Accounts payable | 2,385 | 4,167 |
| Bank note payable | 180,000 | 190,000 |
| Payroll withholdings payable | 1,375 | 5,590 |
| Net pension liability | 100,409 | 194,818 |
| Net OPEB obligation | 2,047,217 | 1,681,792 |
| TOTAL LIABILITIES | 2,331,386 | 2,076,367 |
| **DEFERRED INFLOWS OF RESOURCES** | | |
| Pension and OPEB related | 241,287 | 223,738 |
| **NET POSITION** | | |
| Invested in capital assets, net of related debt | 3,222 | 4,686 |
| Unrestricted | (1,304,637) | (1,234,049) |
| TOTAL NET POSITION | ($1,301,415) | ($1,229,363) |

STATEMENT OF ACTIVITIES

| Taxation: | 2020 | 2019 |
|---|---|---|
| Personal services | $682,886 | $686,449 |
| Operating services | 77,658 | 71,598 |
| Materials and supplies | 8,939 | 6,664 |
| Travel | 21,662 | 22,042 |
| Depreciation expense | 1,464 | 14,740 |
| Total Program Expenses | 792,609 | 801,493 |
| Program revenues - Charges for services | | |
| Fees, charges, and commissions for services | 40,139 | 36,894 |
| Net Program Expenses | (752,470) | (764,599) |
| General revenues: | | |
| Taxes - ad valorem | 544,531 | 519,496 |
| Intergovernmental: | | |
| Federal revenue | 1,891 | 2,181 |
| State funds - state revenue sharing | 37,364 | 37,727 |
| Interest earned | 696 | 1,508 |
| Other revenues | 95,938 | 102,271 |
| Total General Revenues | 680,420 | 663,183 |
| Change in Net Position | (72,050) | (101,416) |
| Net Position - Beginning of year | (1,229,365) | (1,127,947) |
| Net Position - End of year | ($1,301,415) | ($1,229,363) |

## Financial Analysis of the Government's Funds

As noted earlier, the Morehouse Parish Assessor uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing

the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2020, the general fund's governmental fund balances of $383,990 showed an increase of $41,570 over December 31, 2019.

**General Fund Budgetary Highlights**

Differences between revenues of the original budget and the final budget were due primarily to decreases in federal revenue, state revenue sharing, fees, charges and commissions and use of money and property. The major differences between expenditures in the original budget and the final budget were due to an increase in personal services, operating services, and materials and supplies and decreases in travel and other charges, debt service and capital outlay.

**Capital Asset and Debt Administration**

**Capital assets.** The Morehouse Parish Assessor's investment in capital assets for its governmental activities as of December 31, 2020, amounts to $3,222 (net of accumulated depreciation). This investment includes furniture, equipment and vehicles. There were no increases for the year and decreases of $13,422 for the year.

**Long-term debt.** The Morehouse Parish Assessor contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the assessor's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at December 31, 2020 is $2,047,217. Net pension liability is $100,409 at December 31, 2020.

**Requests for Information**

This financial report is designed to provide a general overview of the Morehouse Parish Assessor's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Morehouse Parish Assessor, Shelia Walker.

April 23, 2021

# BASIC FINANCIAL STATEMENTS

MOREHOUSE PARISH ASSESSOR
Bastrop, Louisiana

STATEMENT OF NET POSITION
December 31, 2020

| | |
|---|---|
| **ASSETS** | |
| Cash and cash equivalents | $27,575 |
| Receivables | 540,175 |
| Capital assets (net of accumulated depreciation) | 3,222 |
| TOTAL ASSETS | 570,972 |
| **DEFERRED OUTFLOW OF RESOURCES** | |
| Pension and OPEB related | 700,286 |
| **LIABILITIES** | |
| Accounts payable | 2,385 |
| Bank note payable | 180,000 |
| Payroll withholdings payable | 1,375 |
| Net pension liability | 100,409 |
| Net OPEB obligation | 2,047,217 |
| TOTAL LIABILITIES | 2,331,386 |
| **DEFERRED INFLOWS OF RESOURCES** | |
| Pension and OPEB related | 241,287 |
| **NET POSITION** | |
| Invested in capital assets, net of related debt | 3,222 |
| Unrestricted | (1,304,637) |
| TOTAL NET POSITION | ($1,301,415) |

See independent auditor's report and the related notes to the financial statements.

MOREHOUSE PARISH ASSESSOR
Bastrop, Louisiana

STATEMENT OF ACTIVITIES
December 31, 2020

| | |
|---|---|
| Taxation: | |
| Personal services | $682,886 |
| Operating services | 77,658 |
| Materials and supplies | 8,939 |
| Travel | 21,662 |
| Depreciation expense | 1,464 |
| Total Program Expenses | 792,609 |
| Program revenues - Charges for services - | |
| Fees, charges, and commissions for services | 40,139 |
| Net Program Expenses | (752,470) |
| General revenues: | |
| Taxes - ad valorem | 544,531 |
| Intergovernmental: | |
| Federal revenue | 1,891 |
| State funds - state revenue sharing | 37,364 |
| Interest earned | 696 |
| Other revenues | 95,938 |
| Total General Revenues | 680,420 |
| Change in Net Position | (72,050) |
| Net Position - Beginning of year | (1,229,365) |
| Net Position - End of year | ($1,301,415) |

See independent auditor's report and the related notes to the financial statements.

MOREHOUSE PARISH ASSESSOR
Bastrop, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2020

| | |
|---|---|
| **ASSETS** | |
| Cash and cash equivalents | $27,575 |
| Receivables | 540,175 |
| TOTAL ASSETS | $567,750 |
| **LIABILITIES AND FUND EQUITY** | |
| Liabilities: | |
| Accounts payable | $2,385 |
| Bank note payable | 180,000 |
| Payroll withholdings payable | 1,375 |
| TOTAL LIABILITIES | 183,760 |
| Fund Equity - fund balances - unassigned | 383,990 |
| TOTAL LIABILITIES AND FUND EQUITY | $567,750 |

See independent auditor's report and the related notes to the financial statements.

MOREHOUSE PARISH ASSESSOR
Bastrop, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position

For the Year Ended December 31, 2020

| | | |
|---|---|---|
| Total Fund Balances at December 31, 2020 - Governmental Funds (Statement C) | | $383,990 |
| Deferred outflows of resources | | 700,286 |
| Cost of capital assets at December 31, 2020 | $121,483 | |
| Less: Accumulated depreciation as of December 31, 2020 | (118,261) | 3,222 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | | |
| Net pension liability | | (100,409) |
| Net OPEB obligation | | (2,047,217) |
| Deferred inflows of resources | | (241,287) |
| Net Position at December 31, 2020 (Statement A) | | ($1,301,415) |

See independent auditor's report and the related notes to the financial statements.

MOREHOUSE PARISH ASSESSOR
Bastrop, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,
and Changes in Fund Balances

For the Year Ended December 31, 2020

| | |
|---|---|
| **REVENUES** | |
| Taxes - ad valorem | $544,531 |
| Intergovernmental revenues: | |
| Federal revenue | 1,891 |
| State grants - state revenue sharing | 37,364 |
| Fees, charges and commissions | 40,139 |
| Use of money and property | 696 |
| Total revenues | 624,621 |
| **EXPENDITURES** | |
| Current: | |
| General government - taxation: | |
| Personal services | 474,792 |
| Operating services | 77,658 |
| Materials and supplies | 8,939 |
| Travel and other charges | 21,662 |
| Total expenditures | 583,051 |
| **EXCESS OF REVENUES OVER EXPENDITURES** | 41,570 |
| **FUND BALANCES AT BEGINNING OF YEAR** | 342,420 |
| **FUND BALANCES AT END OF YEAR** | $383,990 |

See independent auditor's report and the related notes to the financial statements.

MOREHOUSE PARISH ASSESSOR
Bastrop, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2020

| | |
|---|---|
| Total net change in fund balances - governmental funds (Statement D) | $41,570 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period. | (1,464) |
| Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities. | (164,930) |
| Non-employer contributions to cost-sharing pension plan | 95,938 |
| Pension expense | (43,164) |
| Change in net position of governmental activities (Statement B) | ($72,050) |

See independent auditor's report and the related notes to the financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the assessor is elected by the voters of the parish and serves a term of four years, beginning January 1 following the year in which elected. The assessor assesses all real and movable property in the parish, subject to ad valorem taxation, prepares tax rolls, and submits the rolls to the Louisiana Tax Commission and other governmental bodies as prescribed by law. The assessor is authorized to appoint as many deputies as necessary for the efficient operation of his office and to provide assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the assessor is officially and pecuniarily responsible for the actions of the deputies.

At December 31, 2020, there are 29,930 real, movable, and public service assessment listings totaling $116,311,134, $32,434,113, and $45,287,810 respectively. The total taxable valuation increased by $8,825,398.

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

### A. REPORTING ENTITY

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

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

1. Appointing a voting majority of an organization's governing body, and:

   a. The ability of the police jury to impose its will on that organization and/or

   b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the building in which the assessor's office is located and provides partial funding for equipment, furniture and supplies of the assessor's office, the assessor was determined to be a component unit of the Morehouse Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the assessor and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Morehouse Parish financial reporting entity.

## B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The assessor's basic financial statements include both government-wide (reporting the assessor as a whole) and fund financial statements (reporting the assessor's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the assessor are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government 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 nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) 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.

**Allocation of Indirect Expenses** - The assessor reports all direct expenses by function in the Statement of Activities (Statement B). 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.

## C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the assessor are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the assessor. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The assessor's current operations require the use of only governmental funds. The governmental fund type used by the assessor is described as follows:

**Governmental Fund Type**

**General Fund** - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the assessor and is used to account for the operations of the assessor's office. The various fees and charges due to the assessor's office are accounted for in this fund. General operating expenditures are paid from this fund.

## D. BASIS OF ACCOUNTING

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

### 1. Accrual:

The governmental type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

### 2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

**Revenues**

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due when the tax roll is filed with the recorder of mortgages and become delinquent on December 31. Ad valorem taxes are generally collected in November and December of the current year and January and February of the ensuing year.

Compensation from taxing bodies is recorded in the year the ad valorem taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The compensation is generally collected in December of the current year and January of the ensuing year.

Fees for preparing tax rolls are recorded in the year prepared.

Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Based on the above criteria, ad valorem taxes, compensation from taxing bodies, and fees for preparing tax rolls have been treated as susceptible to accrual.

**Expenditures**

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

## E. CASH AND CASH EQUIVALENTS

Under state law, the assessor may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2020, the assessor has cash and cash equivalents (book balances) totaling $27,575.

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the

pledged securities within 10 days of being notified by the Assessor that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Assessor's name. The Assessor does not have a policy concerning custodial risk. Cash (bank balance) at December 31, 2020 of $20,354 is fully secured by federal deposit insurance.

## F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The assessor maintains a threshold level of $750 or more for capitalizing capital assets.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the assessor, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

| Description | Estimated Lives |
|---|---|
| Furniture and fixtures | 5 - 10 years |
| Vehicles | 5 - 15 years |
| Equipment | 5 - 20 years |

## G. ANNUAL AND SICK LEAVE

All employees earn from ten to fifteen days of noncumulative vacation leave annually depending on their length of service. Sick leave, which is noncumulative, is earned at a rate of ten days each year. At December 31, 2020, there are no accumulated and vested benefits relating to vacation and sick leave.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken.

## H. RISK MANAGEMENT

The assessor is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the assessor maintains commercial insurance policies covering his automobile, professional liability and surety bond coverage. No claims were paid on any of the policies during the past three years which

exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2020.

## I. PENSION PLANS

The Morehouse Parish Tax Assessors's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 5. 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.

## J. EQUITY CLASSIFICATIONS

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

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

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

*Nonspendable* - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

*Restricted* - represents balances where constraints have been established by parties outside the Assessor's office or imposed by law through constitutional provisions or enabling legislation.

*Committed* - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Assessor's highest level of decision-making authority.

*Assigned* - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

*Unassigned* - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of $383,990. If applicable, the Assessor would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds. The Assessor considers restricted amounts have been spent when an expenditure has been incurred for the purpose for which both restricted and unrestricted fund balance is available.

## K. DEFERRED OUTLFOWS/INFLOWS OF RESOURCES

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

## L. ESTIMATES

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

## 2. PRINCIPAL TAXPAYERS

The Assessor levied a millage of 3.5 for ad valorem taxes for 2020.

The following are the principal taxpayers for the parish and their 2020 assessed valuation (amounts expressed in thousands):

| | 2020 Assessed Valuation | Per cent of Total Assessed Valuation |
|---|---|---|
| Entergy Louisiana, Inc | $8,062 | 4.16% |
| Texas Gas Transmission Corp. | 7,957 | 4.10% |
| Union Pacific Corp. Tax | 4,612 | 2.38% |
| Midcontinent Express Pipeline, LLC | 3,720 | 1.92% |
| Gulf Crossing Pipeline Company | 3,426 | 1.77% |
| Tennessee Gas Pipeline | 3,163 | 1.63% |
| Kennedy Rice Dryers, LLC | 3,036 | 1.56% |
| Southern Natural Gas Co. | 2,653 | 1.37% |
| Morehouse Bioenergy, LLC | 2,065 | 1.06% |
| Atmos Energy Louisiana | 2,015 | 1.04% |
| Total | $40,709 | 20.98% |

## 3. RECEIVABLES

The General Fund receivables of $540,175 December 31, 2020, are as follows:

| Class of Receivables | |
|---|---|
| Taxes - ad valorem | $509,279 |
| Intergovernmental - state funds - state revenue sharing (net) | 24,910 |
| Other | 5,986 |
| Total | $540,175 |

## 4. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment follows:

| | |
|---|---|
| Balance, January 1, 2020 | $134,905 |
| Additions | NONE |
| Deletions | (13,422) |
| Balance, December 31, 2020 | 121,483 |
| Less accumulated depreciation | (118,261) |
| Net Capital Assets | $3,222 |

Depreciation expense of $1,464 was charged to the taxation function.

## 5. NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY INFORMATION FOR A COST-SHARING EMPLOYER

The Morehouse Parish Tax Assessor contributes to the Louisiana Assessor's Retirement Fund (fund) which is a cost-sharing, multiple employer, defined benefit pension plan. Substantially all employees participate in the Plan. The Fund was created by Act 91 Section 1 of the 1950 regular Legislature Session, and it functions under the provisions of Louisiana Revised Statute 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, 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 deferred 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.

The preparation of schedules of employer allocations and pension amounts by employer in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities. Accordingly, actual results may differ from estimated amounts.

***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.

***Plan Description.***

The Louisiana Assessors' Retirement and Relief Fund was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:1401 for eligible employees of the assessors' office. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

***Plan Benefits***

*Pension benefits*
Members 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 o 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.

Members whose first employment making them eligible for membership began 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 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 a reduced benefit or any of four options at retirement.

The Fund also provides death and disability benefits. Benefits are established or amended by state statute.

***Contributions***

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2020, the actual employer contribution rate was 8%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Members are required by state statute to contribute 8% of their annual covered salary. 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. The fund also received one-fourth of one percent of the property taxes assessed in each parish of the state as well as a state revenue sharing appropriation. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The Morehouse Parish Assessor's contributions to the Fund for the year ending December 31, 2020 were $23,419. Non-employer contribution revenue for the year ended December 31, 2020 was $95,935.

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

For the years ended December 31, 2020 and 2019, the Assessor reported a liability of $100,409 and $194,818, respectively, for its proportionate share of the net pension liability. The net pension liability

was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Assessors' proportion of the net pension liability was based on a projection of the Assessors' long-term share of contributions to the pension plan relative to the projected contributions of all participating assessors', actuarially determined. At September 30, 2020, the Assessors' proportion was 0.6572 percent, which was an increase of 0.0813 from its proportion measured as of September 30, 2019.

For the year ended December 31, 2020, the Assessor recognized pension expense of $67,930 plus difference in proportionate share and differences between employer contributions and proportionate share of contributions, which was $(24,766). Total pension expense for the Assessor for the year ended December 31, 2020 was $43,164.

At December 31, 2020, the Assessor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $3,213 | $80,224 |
| Changes in assumptions | 222,913 | |
| Net Difference between projected and actual earnings on pension plan | | 78,959 |
| Changes in employer's proportion of beginning NPL | 266 | 18,510 |
| Differences between employer and proportionate share of contributions | | 408 |
| Subsequent measurement contributions | 5,867 | |
| Total | $232,259 | $178,101 |

$5,867 reported as deferred outflows of resources related to pensions resulting from the Assessors' 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:

| Year ended December 31: | |
|---|---|
| 2021 | $347 |
| 2022 | 20,375 |
| 2023 | 21,766 |
| 2024 | (5,732) |
| 2025 | 11,535 |

***Actuarial assumptions.*** The total pension liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | | |
|---|---|---|
| Valuation Date | | September 30, 2020 |
| Actuarial Cost Method | | Entry Age Normal |
| Actuarial Assumptions: | | |
| Investment rate of return | | 5.75%, net of investment expense, including inflation |
| Inflation rate | | 2.10% |
| Salary increases | | 5.25% |
| Annuitant and beneficiary mortality | | Pub-2010 Public Retirement Plans 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 Plans Mortality Table for General Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale. |
| Disabled lives mortality | | Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale. |

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 expense 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, 2020.

***Sensitivity of the Assessors' proportionate share of the net pension liability to changes in the discount rate.***

The following presents the net pension liability of the fund calculated using the discount rate of 5.75%, as well as what the funds pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

| | **1% Decrease (4.75%)** | **Current Discount Rate (5.75%)** | **1% Increase (6.75%)** |
|---|---|---|---|
| Assessors' proportionate share of the net pension liability | $455,795 | $100,409 | ($201,724) |

## 6. POST EMPLOYMENT BENEFITS OTHER THAN PENSION

***Plan Description***. The Morehouse Parish Assessor (the Assessor) provides certain continuing health care and life insurance benefits for its retired employees. The Morehouse Parish Assessor's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Assessor. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Assessor. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

*Benefits Provided* - Medical, dental, and life benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by the Louisiana Assessors' Retirement Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: Attainment of age 55 and 12 years of service; or, any age and 30 years of service; employees hired on and after October 1, 2013 are not able to retire or enter DROP until age 60 with 12 years of service; or, age 55 with 30 years of service. The retiree must also have 20 years of service for the retiree to receive employer contributions.

*Employees covered by the benefit terms* - At December 31, 2020, the following employees were covered by the benefit terms:

| | |
|---|---|
| Inactive employees or beneficiaries currently receiving benefit payments | 6 |
| Inactive employees entitled to but not yet receiving benefit payments | 0 |
| Active employees | 4 |
| Total employees | 10 |

**Total OPEB Liability**

The Assessor's total OPEB liability of $2,047,217 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* - The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Inflation | 2.0% annually |
| Salary increases | 3.0%, including inflation |
| Discount rate | 2.74%, annually (Beginning of Year to Determine ADC)<br>2.12% annually (As of End of Year Measurement Date) |
| Healthcare cost trend rates | 5.5% annually until year 2030, then 4.5% |
| Mortality | SOA RP-2014 Table |

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2020, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2020.

**Changes in the Total OPEB Liability**

| | |
|---|---|
| Balance at December 31, 2019 | $1,681,792 |
| Changes for the year: | |
| Service cost | 17,981 |
| Interest | 46,327 |
| Differences between expected and actual experience | 134,868 |
| Changes in assumptions | 200,896 |
| Benefit payments and net transfers | (34,647) |
| Net Changes | 365,425 |
| Balance at December 31, 2020 | $2,047,217 |

*Sensitivity of the total OPEB liability to changes in the discount rate* - The following presents the total OPEB liability of the Assessor, as well as what the Assessor's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

| | 1.0% Decrease (1.12%) | Current Discount Rate (2.12%) | 1.0% Increase (3.12%) |
|---|---|---|---|
| Total OPEB liability | $2,414,193 | $2,047,217 | $1,756,970 |

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* - The following presents the total OPEB liability of the Assessor, as well as what the Assessor's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current discount rate:

| | 1.0% Decrease (4.5%) | Current Discount Rate (5.5%) | 1.0% Increase (6.5%) |
|---|---|---|---|
| Total OPEB liability | $1,815,222 | $2,047,217 | $2,335,612 |

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

For the year ended December 31, 2020, the Assessor recognized OPEB expense of $199,576. At December 31, 2020, 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 expenditures | $166,971 | ($11,450) |
| Changes in assumptions | 301,056 | (51,736) |
| Total | $468,027 | ($63,186) |

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

| Year ended December 31: | |
|---|---|
| 2021 | $135,268 |
| 2022 | 135,268 |
| 2023 | 67,153 |
| 2024 | 67,053 |
| 2025 | 0 |
| Thereafter | $0 |

## 7. BANK LOAN PAYABLE

On October 28, 2020 the assessor borrowed $180,000 from Bank of Oak Ridge for operations of the assessors office. The loan agreement required a single payment of $180,000 with interest at 3.25 percent. This amount was repaid on January 21, 2021 along with interest of $1,359.47.

## 8. LITIGATION AND CLAIMS

The Morehouse Parish Assessor is not involved in any litigation at December 31, 2020, nor is she aware of any unasserted claims.

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

The cost of maintaining and operating the assessors office, as required by Louisiana Revised Statute 33:4713, is paid by the Morehouse Parish Police Jury.

## 10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 23, 2021, which is the date the financial statements were available to be issued, and it has been determined that one significant event requires disclosure. 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 Morehouse Parish Assessor and the duration cannot be estimated at this time.

## REQUIRED SUPPLEMENTARY INFORMATION

## PART II

**Schedule 1**

MOREHOUSE PARISH ASSESSOR
Bastrop, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2020

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL (BUDGETARY BASIS) | VARIANCE FAVORABLE (UNFAVORABLE) |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Taxes - ad valorem | $523,240 | $523,240 | $544,531 | $21,291 |
| Intergovernmental: | | | | |
| Federal revenue | 2,325 | 1,900 | 1,891 | (9) |
| State funds - state revenue sharing | 39,000 | 38,000 | 37,364 | (636) |
| Fees, charges and commissions | 39,016 | 37,990 | 40,139 | 2,149 |
| Use of money and property | 1,800 | 750 | 696 | (54) |
| Total revenues | 605,381 | 601,880 | 624,621 | 22,741 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government - taxation: | | | | |
| Personal services and related benefits | 483,020 | 484,626 | 474,792 | 9,834 |
| Operating services | 77,975 | 83,075 | 77,658 | 5,417 |
| Materials and supplies | 8,600 | 10,850 | 8,939 | 1,911 |
| Travel and other charges | 23,180 | 21,880 | 21,662 | 218 |
| Debt Service | 225,000 | 2,500 | | 2,500 |
| Capital Outlay | 1,000 | | | |
| Total expenditures | 818,775 | 602,931 | 583,051 | 19,880 |
| **EXCESS (deficiency) OF REVENUES OVER EXPENDITURES** | (213,394) | (1,051) | 41,570 | 42,621 |
| **FUND BALANCE AT BEGINNING OF YEAR** | 349,671 | 349,671 | 342,420 | (7,251) |
| **FUND BALANCE AT END OF YEAR** | $136,277 | $348,620 | $383,990 | $35,370 |

See accompanying note to budgetary comparison schedule.

Morehouse Parish Assessor
Bastrop, Louisiana

## NOTE TO BUDGETARY COMPARISON SCHEDULE

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the assessor and amended during the year, as necessary. The budget is established and controlled by the assessor at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the assessor.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statement include the original adopted budget amounts. There was one budget amendment for the year ended December 31, 2020.

**Schedule 2**

Morehouse Parish Assessor
Schedule of Changes in Net OPEB Liability and Related Ratios
FYE December 31, 2020

| **Total OPEB Liability** | 2018 | 2019 | 2020 |
|---|---|---|---|
| Service cost | $18,507 | $15,305 | $17,981 |
| Interest | 47,664 | 51,613 | 46,327 |
| Changes of benefits terms | None | None | None |
| Differences between expected and actual experience | (28,626) | 118,154 | 134,868 |
| Changes of assumptions | (129,340 | 280,679 | 200,896 |
| Benefit payments | (33,323) | (35,156) | (34,647) |
| Net change in total OPEB liability | (125,118 | 430,595 | 365,425 |
| Total OPEB liability - beginning | 1,376,31 | 1,251,197 | 1,681,792 |
| Total OPEB liability - ending | $1,251,1 | $1,681,792 | $2,047,217 |
| Covered employee payroll | $343,216 | $353,512 | $292,736 |
| Net OPEB liability as a percentage of covered-employee payroll | 364.55% | 475.74% | 699.34% |
| *Benefit Changes* | None | None | None |
| *Changes in Assumptions* | | | |
| *Discount Rate:* | 4.10% | 2.74% | 2.12% |
| *Mortality:* | RP-2000 | RP-2000 | RP-2014 |
| *Trend:* | 5.5% | 5.5% | Variable |

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

See independent auditor's report and the related notes to the financial statements.

**Morehouse Parish Assessor**
**Schedule of Employer's Share of Net Pension Liability**
**December 31, 2020**

| Fiscal Year | Employer Proportion of the Net Pension Liability (Asset) | Employer Proportionate Share of the Net Pension Liability (Asset) | Employer's Covered Employee Payroll | Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|---|---|---|---|---|---|
| 2014 | 0.789542% | $276,021 | $319,440 | 86.41% | 89.98% |
| 2015 | 0.869603% | $455,083 | $365,400 | 124.54% | 85.57% |
| 2016 | 0.860443% | $303,624 | $374,617 | 79.91% | 90.68% |
| 2017 | 0.775500% | $136,078 | $340,461 | 39.72% | 95.61% |
| 2018 | 0.778642% | $151,371 | $343,216 | 44.10% | 95.46% |
| 2019 | 0.738557% | $194,818 | $328,576 | 59.29% | 94.12% |
| 2020 | 0.657230% | $100,409 | $302,123 | 33.23% | 96.79% |

* Amounts presented were determined as of the measurement date.

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

See independent auditor's report and the related notes to the financial statements.

**Schedule 4**

**Morehouse Parish Assessor**
**Schedule of Employer Contributions**
**December 31, 2020**

| Fiscal Year | Contractually Required Contribution | Contributions in Relations to Contractual Required Contributions | Contribution Deficiency (Excess) | Employer's Covered Employee Payroll | Contributions as a Percentage of Covered Payroll |
|---|---|---|---|---|---|
| 2014 | $43,124 | $43,124 | $0 | $319,440 | 13.50% |
| 2015 | $49,328 | $49,328 | $0 | $365,400 | 13.50% |
| 2016 | $50,573 | $50,573 | $0 | $341,617 | 13.50% |
| 2017 | $34,046 | $34,046 | $0 | $340,461 | 10.00% |
| 2018 | $27,457 | $27,457 | $0 | $343,216 | 8.00% |
| 2019 | $26,286 | $26,286 | $0 | $328,576 | 8.00% |
| 2020 | $24,170 | $24,170 | $0 | $302,123 | 8.00% |

* Amounts presented were determined as of the measurement date.

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

See independent auditor's report and the related notes to the financial statements.

## OTHER SUPPLEMENTARY INFORMATION

## PART III

**Schedule 5**

MOREHOUSE PARISH ASSESSOR
Bastrop, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2020

SHELIA WALKER

| PURPOSE | AMOUNT |
|---|---|
| Salary | $131,796 |
| Expense allowance | 13,180 |
| Benefits-insurance | 14,787 |
| Benefits-retirement | 11,598 |
| Benefits-Medicare | 2,537 |
| Vehicle Provided by Government (W-2) | 7,200 |
| Registration fees | 315 |
| Unvouchered Expenses - Travel Advance | 180 |
| Housing and lodging | 432 |
| Membership fees | 220 |
| Association dues | 3,232 |

See independent auditor's report.

# REPORTS REQUIRED BY
# GOVERNMENT AUDITING STANDARDS
# PART IV

## Independent Auditor's Report Required by *Government Auditing Standards*

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Member:
American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

**MARY JO FINLEY, CPA, INC.**
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**116 Professional Drive - West Monroe, LA 71291**
**Phone (318) 329-8880 - Fax (318) 239-8883**

Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

## 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*

MOREHOUSE PARISH ASSESSOR
Bastrop, 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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and the major fund of the Morehouse Parish Assessor, a component unit of the Morehouse Parish Police Jury, as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Morehouse Parish Assessor's basic financial statements, and have issued my report thereon dated April 23, 2021.

**Internal Control Over Financial Reporting**
In planning and performing my audit of the financial statements, I considered the Morehouse 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Morehouse Parish Assessor's internal control. Accordingly, I do not express an opinion on the effectiveness of the Morehouse Parish Assessor's internal control.

A *deficiency in internal control* exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses.