

ST. JAMES PARISH ASSESSOR

Convent, Louisiana

Financial Report

Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

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Honorable Glenn Waguespack
St. James Parish Assessor
Convent, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the St. James Parish Assessor (Assessor) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

The 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the St. James Parish Assessor, as of December 31, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 15 to the basic financial statements, the Assessor has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our 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 budgetary comparison schedule on page 33 and the schedule of changes in net OPEB liability and related ratios, employer's share of net pension liability and employer contributions on pages 34 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Assessor's basic financial statements. The comparative statement of net position, and individual fund statements and schedule of expenditures included on pages 39 through 42 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative statement of net position and individual fund statements on pages 39 through 41 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements are fairly stated in all material respects in relation to the financial statements as a whole. The prior year comparative information on these statements was derived from the Assessor's 2017 financial statements, which were subjected to the auditing procedures applied by other auditors in the audit of the basic financial statements and, in their opinion, were fairly presented in all material respects in relation to the basic financial statements as a whole.

The individual fund schedule of expenditures on page 42 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2019 on our consideration of the Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Assessor's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 7, 2019

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Statement of Net Position
December 31, 2018

	Governmental Activities
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 1,647,028
Investments	1,523,060
Revenue receivable, net	<u>1,341,901</u>
Total current assets	4,511,989
Noncurrent assets:	
Capital assets, net	<u>41,996</u>
Total assets	<u>4,553,985</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pension	<u>342,744</u>
LIABILITIES	
Current liabilities:	
Accounts payable	<u>20,853</u>
Noncurrent liabilities:	
Compensated absences	8,219
OPEB liability	850,013
Net pension liability	<u>219,622</u>
Total noncurrent liabilities	<u>1,077,854</u>
Total liabilities	<u>1,098,707</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to postemployment benefit obligation	100,066
Deferred inflows of resources related to pension	<u>223,868</u>
Total deferred inflows of resources	<u>323,934</u>
NET POSITION	
Net investment in capital assets	41,996
Unrestricted	<u>3,432,092</u>
Total net position	<u>\$ 3,474,088</u>

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

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Statement of Activities
For the Year Ended December 31, 2018

Activities	Expenses	Program Revenues Charges for Services	Net (Expense) Revenues and Changes in Net Position Governmental Activities
Governmental activities:			
General government	<u>\$ 1,370,619</u>	<u>\$ -</u>	<u>\$ (1,370,619)</u>
General revenues:			
Property taxes			1,345,232
State revenue sharing			11,581
Payments in lieu of taxes			35,075
Interest and investment earnings			46,711
Non-employer contributions			152,586
Miscellaneous			<u>51,791</u>
Total general revenues			<u>1,642,976</u>
Change in net position			272,357
Net position - January 1, 2018, as restated			<u>3,201,731</u>
Net position - December 31, 2018			<u>\$ 3,474,088</u>

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

FUND FINANCIAL STATEMENTS (FFS)

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Balance Sheet
Governmental Fund
December 31, 2018

	<u>General Fund</u>
ASSETS	
Cash and interest-bearing deposits	\$ 1,647,028
Investments	1,523,060
Revenue receivable-	
Ad valorem taxes, net of allowance for uncollectible taxes of \$13,567	1,301,380
Payments in lieu of taxes	35,075
Accrued Interest	<u>5,446</u>
 Total assets	 <u>\$ 4,511,989</u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ <u>20,853</u>
 Fund balance:	
Unassigned	 <u>4,491,136</u>
 Total liabilities and fund balance	 <u>\$ 4,511,989</u>

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

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
For the Year Ended December 31, 2018

Total fund balance for the governmental fund at December 31, 2018		\$ 4,491,136
Capital assets at December 31, 2018:	\$ 155,690	
Less: Accumulated depreciation	<u>(113,694)</u>	41,996
The deferred outflows of contributions for the assessor employees' retirement system are not available resources and, therefore, are not reported in the funds.		342,744
Noncurrent liabilities at December 31, 2018:		
Compensated absences	(8,219)	
Net OPEB obligation payable	(850,013)	
Net pension payable	<u>(219,622)</u>	(1,077,854)
The deferred inflows of contributions for the postemployment benefit obligation are not a use of current resources and, therefore, are not reported in the funds.		(100,066)
The deferred inflows of contributions for the assessor employees' retirement system are not payable from current expendable, resources and, therefore, are not reported in the funds.		<u>(223,868)</u>
Net position at December 31, 2018		<u>\$ 3,474,088</u>

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

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2018

	<u>General Fund</u>
Revenues:	
Intergovernmental revenues -	
Ad valorem taxes	\$ 1,345,232
State revenue sharing	11,581
Payment in lieu of taxes	35,075
Interest income	46,711
Miscellaneous income	51,791
Total revenues	<u>1,490,390</u>
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	805,280
Operating services	202,026
Materials and supplies	231,681
Capital outlay	33,950
Total expenditures	<u>1,272,937</u>
Excess of revenues over expenditures	217,453
Fund balance, beginning of year	<u>4,273,683</u>
Fund balance, ending of year	<u>\$ 4,491,136</u>

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

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Fund
to the Statement of Activities
For the Year Ended December 31, 2018

Total net change in fund balance for the year ended December 31, 2018 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 217,453
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 33,950	
Depreciation expense for the year ended December 31, 2018	<u>(6,738)</u>	27,212
<p>Differences between the amount reported as expenses in the statement of activities and those reported as expenditures in the fund financial statements:</p>		
Compensated absences	(8,219)	
OPEB benefits	(33,337)	
Pension expense	<u>(83,338)</u>	(124,894)
Nonemployer's contribution to the assessor employees' pension plan		<u>152,586</u>
Total change in net position for the year ended December 31, 2018 per Statement of Activities		<u>\$ 272,357</u>

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

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Notes to Basic 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. The Assessor assesses all real and movable property in the parish, prepares the tax rolls and submits the rolls to the Louisiana Tax Commission as prescribed by law.

The accompanying financial statements of the St. James Parish Assessor (Assessor) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Such accounting and reporting procedures also conform to the industry audit, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

For financial reporting purposes, the Assessor includes all funds that are controlled by the Assessor as an independently elected parish official.

The Assessor is a “primary government” as defined in GASB pronouncements, since the Assessor has the power to designate management, the ability to significantly influence operations of his office (which includes the hiring or retention of employees, Assessor over budgeting, responsibility for deficits, and the receipt and disbursement of funds), and primary accountability for fiscal matters. The Assessor has no component units.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Assessor’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

The accounts of the Assessor are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund of the Assessor is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Assessor is described below:

Governmental Fund -

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.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Assessor.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. 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 \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Autos and equipment	5 years
Office furniture	7 years

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Compensated Absences

All full-time employees of the Assessor's office earn 12 vacation days each year starting January 1st. New employees receive one vacation day per month starting from their hire date until the end of their year of hire. Employees are allowed to carry over a maximum of five vacation days to the following year. Upon resignation or retirement, employees are paid any unused vacation leave at the employee's current rate of pay. At December 31, 2018, the Assessor has \$8,219 of non-current accumulated leave benefits required to be reported in accordance with GASB Statement No. 16 "Accounting for Compensated Absences" which is for governmental activities.

Equity Classifications

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

1. 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 borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

The Assessor had no restricted net position at December 31, 2018.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

1. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Assessor, which is the highest level of decision-making authority for the Assessor.

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Assessor’s adopted policy, only the Assessor may assign amounts for specific purposes.
5. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Assessor considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Assessor considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Assessor has provided otherwise in its commitment or assignment actions.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Assessor may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Assessor may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2018, the Assessor has cash and cash equivalents (book balances) totaling \$1,647,028, which consist of demand deposits and are applicable to governmental activities.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Assessor’s deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security 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 bank. These securities are held in the name of the Assessor or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

ST. JAMES PARISH ASSESSOR
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Notes to Basic Financial Statements (Continued)

Deposit balances (bank balances) at December 31, 2018 in the amount of \$1,705,054 were secured with \$500,000 of federal deposit insurance and pledged securities of \$1,205,054. Deposits secured by pledged securities were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Assessor's name (Category 3 deposits). 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 has failed to pay deposited funds upon demand. The Assessor does not have a policy for custodial credit risk.

(3) Investments

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 LA-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 are relevant for investment pools:

1. Credit risk: LAMP is rated AAA by Standard & Poor's.
2. 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.
3. Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
4. 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 U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 90 days (from LAMP's monthly Portfolio Holdings) as of December 31, 2018.
5. Foreign currency risk: Not applicable.

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

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.

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 800-249-5267.

At December 31, 2018, the Assessor had investments in LAMP in the amount of \$1,523,060.

(4) Capital Assets

Capital asset balances and activity for the year ended December 31, 2018 is as follows:

	Balance 01/01/18	Additions	Deletions	Balance 12/31/18
Furniture, fixtures and equipment	\$ 100,261	\$ -	\$ 9,221	\$ 91,040
Auto	59,600	33,950	28,900	64,650
Totals	159,861	33,950	38,121	155,690
Less: Accumulated depreciation	145,077	6,738	38,121	113,694
Net capital assets	<u>\$ 14,784</u>	<u>\$ 27,212</u>	<u>\$ -</u>	<u>\$ 41,996</u>

Depreciation expense for the year ended December 31, 2018 of \$6,738 was charged to the general government function.

(5) Post Retirement Health Care and Life Insurance Benefits

Plan Description - The St. James Parish Assessor (the Assessor) provides certain continuing health care and life insurance benefits for its retired employees. The St. James 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) Codification Section P52 *Postemployment Benefits Other Than Pension-Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria-Defined Benefit*.

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 Assessor's 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.

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at age 70 or at retirement.

Employees covered by benefit terms - At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>7</u>
Total	<u>10</u>

Total OPEB Liability

The Assessor's total OPEB liability of \$850,013 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs: The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.44% annually (Beginning of Year to Determine ADC) 4.10%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2018.

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Changes in the OPEB Liability

Balance at December 31, 2017	<u>\$ 916,742</u>
Changes for the year:	
Service cost	27,536
Interest	32,010
Difference between expected and actual experience	(11,949)
Changes in assumptions	(94,788)
Benefit payments and net transfers	<u>(19,538)</u>
Net changes	<u>\$ (66,729)</u>
 Balance at December 31, 2018	 <u>\$ 850,013</u>

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 (3.10%) of 1-percentage-point higher (5.10%) than the current discount rate:

	1% Decrease <u>3.10%</u>	Current Discount Rate <u>4.10%</u>	1% Increase <u>5.10%</u>
Total OPEB liability	\$ 1,004,591	\$ 850,013	\$ 727,452

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 healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates

	1% Decrease <u>4.50%</u>	Current Trend <u>5.50%</u>	1% Increase <u>6.50%</u>
Total OPEB liability	\$ 756,557	\$ 850,013	\$ 971,484

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

For the year ended December 31, 2018, the Assessor recognized OPEB expense of \$52,875. At December 31, 2018, the Assessor reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ (11,202)
Change in assumptions	-	<u>(88,864)</u>
Total	<u>\$ -</u>	<u>\$ (100,066)</u>

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

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 <u>December 31</u>	
2019	\$ (6,671)
2020	(6,671)
2021	(6,671)
2022	(6,671)
2023	(6,671)
Thereafter	<u>(66,711)</u>
Total	<u><u>\$(100,066)</u></u>

(6) Ad Valorem Taxes

Pursuant to Act 174 of 1990, Louisiana Revised State Statute 47:1925.2 created a special assessment district to provide ad valorem taxes revenue to fund the Assessor's office.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and billed to the taxpayers by the St. James Parish Sheriff in December. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the St. James Parish Assessor and are collected by the Sheriff.

For the year ended December 31, 2018, taxes were levied at the rate of 2.26 mills on property with net assessed valuations totaling \$641,605,867.

Net taxes levied during 2018, after exclusion of \$93,369 for homestead exemption, were \$1,356,688. Taxes receivable at December 31, 2018 were \$1,301,380, net of allowance for uncollectible taxes of \$13,567.

(7) Operating Leases

The Assessor leases one copier under an operating a lease. Minimum future rental payments as of December 31, 2018 are as follows:

2019	\$ 3,048
2020	<u>508</u>
Total minimum future rental payments	<u><u>\$ 3,556</u></u>

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension expense, information about the fiduciary net position of the Louisiana Assessors' Retirement and Relief Fund, and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Plan Description: Substantially all employees of the Assessor, except part-time and temporary employees, are members of the Louisiana Assessors' Retirement and Relief Fund (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

The following brief description of the Louisiana Assessors' Retirement Fund and Subsidiary (collectively referred to as the "Fund") is provided for general information purposes only. Participants should refer to the Plan Agreement for more complete information.

Pension Benefits: Employees who were hired before October 1, 2013, will be eligible for pension benefits once they have either reached the age of fifty-five and have at least twelve years of service or have at least thirty years of service, regardless of age. Employees who were hired on or after October 1, 2013, will be eligible for pension benefits once they have either reached the age of sixty and have at least twelve years of service or have reached the age of fifty-five and have at least thirty years of service.

Employees who became members prior to October 1, 2006 are entitled to annual pension benefits equal to three and one-third percent of their average final compensation based on the 36 consecutive months of highest pay, multiplied by their total years of service, not to exceed 100% of final compensation. Employees who become members on or after October 1, 2006 will have their benefit based on the highest 60 months of consecutive service. Employees may elect to receive their pension benefits in the form of a joint/survivor annuity.

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to the employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. Employees may elect a reduced benefit or any of four options at retirement:

1. At death, the beneficiary will receive a lump sum payment based on the present value of the employee's annuity account balance.
2. At death, the beneficiary will receive a life annuity based on their reduced retirement allowance.
3. At death, the beneficiary will receive a life annuity equal to one-half of their reduced retirement allowance.
4. Any other benefit certified by the actuary and approved by the Board of Trustees that will be equivalent in value to their retirement allowance.

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Death Benefits: As set forth 11:1441, benefits for members who die in service are as follows:

1. If a member of the Fund dies in service with less than 12 years of creditable service and leaves a surviving spouse, their accumulated contributions shall be paid to the surviving spouse.
2. If a member dies and has 12 or more years of creditable service and is not eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the joint and survivorship amounts provided in Option 2 as provided for in R.S. 11:1423, which shall cease upon a subsequent remarriage, or a refund of the member's accumulated contributions, whichever the spouse elects to receive.
3. If a member dies and is eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the Option 2 benefits provided for in R.S. 11:1423, which shall not terminate upon a subsequent remarriage.
4. Benefits set forth in item number 2 above, shall cease upon remarriage and shall resume upon a subsequent divorce or death of a new spouse. The spouse shall be entitled to receive a monthly benefit equal to the amount being received prior to remarriage.

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

1. A sum equal to the greater of forty-five percent (45%) of final average compensation, or the member's accrued retirement benefit at the time of termination of employment due to disability; or
2. The retirement benefit which would be payable assuming accrued creditable service plus additional accrued service, if any, to the earliest normal retirement age based on final average compensation at the termination of employment due to disability.

Upon approval for disability benefits, the member shall exercise an optional retirement allowance as provided in R.S. 11:1423 and no change in the option selected shall be permitted after it has been filed with the board. The retirement option factors shall be the same as those utilized for regular retirement based on the age of the retiree and that of the spouse, had the retiree continued in active service until the earliest normal retirement date.

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

ST. JAMES PARISH ASSESSOR
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Notes to Basic Financial Statements (Continued)

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

1. The member has accrued more service credit than the minimum required for eligibility for a normal retirement benefit.
2. The member has attained an age that is greater than the minimum required for eligibility for a normal retirement benefit, if applicable.
3. The member has revoked their participation, if any, in the Deferred Retirement Option Plan pursuant to R.S. 11:14568.2.

At the time of retirement, a member who elects to receive a Back-DROP benefit shall select a Back-DROP period to be specified in whole months. The duration of the Back-DROP period shall not exceed the lesser of thirty-six months or the number of months of creditable service accrued after the member first attained eligibility for normal retirement. The Back-DROP period shall be comprised of the most recent calendar days corresponding to the member's employment for which service credit in the Fund accrued.

The Back-DROP benefit shall have two portions: a lump-sum portion and a monthly benefit portion. The member's Back-DROP monthly benefit shall be calculated pursuant to the provisions applicable for service retirement set forth in R.S. 11:1421 through 1423, subject to the following conditions:

1. Creditable service shall not include service credit reciprocally recognized pursuant to R.S. 11:142.
2. Accrued service at retirement shall be reduced by the Back-DROP.
3. Final average compensation shall be calculated by excluding all earnings during the Back-DROP period.
4. Contributions received by the Fund during the Back-DROP period and any interest that has accrued on employer and employee contributions received during the period shall remain with the Fund and shall not be refunded to the employee or to the employer.
5. The member's Back-DROP monthly benefit shall be calculated based upon the member's age and service and the Fund provisions in effect on the last day of creditable service before the Back-DROP period.
6. At retirement, the member's maximum monthly retirement benefit payable as a life annuity shall be equal to the Back-DROP monthly benefit.
7. The member may elect to receive a reduced monthly benefit in accordance with the options provided in R.S. 11:1423 based upon the member's age and the age of the member's beneficiary as of the actual effective date of retirement. No change in the option selected of beneficiary shall be permitted after the option is filed with the Board of Trustees.

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

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

Administrative costs of the Fund are financed through employer contributions. According to state statute, contributions for all employers are actuarially determined each year. The actuarially-determined employer contribution rate was 5.24% and 4.69% for the years ended September 30, 2018 and 2017, respectively. The actual employer contribution rate was 8.00% and 10.00% of members' earnings for the years ended September 30, 2018 and 2017, respectively.

The Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state as well as a state revenue sharing appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2018, the Assessor reported a liability of \$219,622 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Assessor's proportion of the net pension liability was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contributions of all participating employer's, actuarially determined. At September 30, 2018, the Assessor's proportion was 1.129719%, which was an increase of .117237% from its proportion measured as of September 30, 2017.

ST. JAMES PARISH ASSESSOR
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Notes to Basic Financial Statements (Continued)

For the year ended December 31, 2018, the Assessor recognized pension expense of \$124,533. At December 31, 2018, 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	\$ 16,571	\$ 100,552
Change of assumptions	281,822	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	34,032	11,498
Net differences between projected and actual earnings on plan investments	-	111,818
Contributions subsequent to the measurement date	10,319	-
Total	\$ 342,744	\$ 223,868

Deferred outflows of resources of \$10,319 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, 2018. 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		
2019		\$ 49,802
2020		(8,006)
2021		2,420
2022		34,138
2023		30,205
Total		\$ 108,559

Schedule of Pension Amounts by Employer: The schedule of pension amounts by employer displays each employer's allocation of the net pension liability. The schedule of pension amounts by employer was prepared using all the allocations included in the schedule of employer allocations.

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

Actuarial Methods and Assumptions: The current year actuarial assumptions utilized for this report are based on the assumptions used in the September 30, 2018 actuarial funding valuation, which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, unless otherwise specified in this report. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience. All assumptions selected were determined to be reasonable and represent expectations of future experience for the Fund.

Actuarial Cost Method	Entry age normal
Investment rate of return (discount rate)	6.25%, net of pension plan investment expense, including inflation
Inflation Rate	2.20%
Salary Increases	5.75%
Annuitant and beneficiary mortality	RP 2000 Healthy Annuitant Table set forward one year and projected to 2030 for males and females
Active members mortality	RP-2000 Employee Table set back four years for males and three years for females.
Disabled Lives Mortality	RP-2000 Disabled Lives Mortality Tables set back five years for males and three years for females.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018, are summarized in the following table.

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u> <u>2018</u>
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real estate	4.50%
Alternative assets	6.24%

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

The long-term expected rate of return selected for this report by the Fund was 6.25%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions and the other assumptions and methods as specified in this report, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Thus, the discount rate used to measure the total pension liability was 6.25%.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2018 is 6 years.

Sensitivity to Changes in Discount Rate: The following presents the net pension liability of the Fund calculated using the discount rate of 6.25%, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate (assuming all other assumptions remain unchanged):

	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Net Pension Liability	\$ 738,681	\$ 219,622	\$ (225,063)

(9) Deferred Compensation Plan

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

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

(10) Expenditures of the Assessor Paid by the St. James Parish Council

The St. James Parish Council provided the office space and utilities for the Assessor's office for the year ended December 31, 2018. These expenditures are not reflected in the accompanying financial statements.

(11) Compensation, Benefits and Other Payments to Assessor

A detail of compensation, benefits, and other payments made to Assessor Glenn Waguespack for the year ended December 31, 2018 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 144,976
Benefits - insurance	13,392
Benefits - retirement	23,196
Deferred compensation	12,000
Cell phone	2,621
Registration fees	485
Conference travel	999
Total	<u>\$ 197,669</u>

(12) Risk Management

The Assessor is exposed to risks of loss in the areas of auto and property liability and surety bonds. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(13) Tax Abatement

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millage in force at that time. The future value to this exempt property could be subject to significant fluctuations from today's value; however, the Assessor could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. Because these taxes are not assessed, no adjustments have been made to the Assessor's financial statements to record the exempt amounts. At December 31, 2018, the Assessor's ad valorem revenues were reduced by \$642,771 as a result of these abatements.

(14) Litigation

As of December 31, 2018, the Assessor was not involved in any litigation.

(15) New Accounting Pronouncement

In June 2015, the Governmental Standards Board (GASB) approved Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. GASB Statement No. 75 will improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The provisions of GASB Statement No. 75 were implemented by the Assessor during the year ended December 31, 2018. The Statement established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

The Statement resulted in a restatement of net position as follows:

	<u>Governmental Activities</u>
Net position, December 31, 2017, as previously reported	\$ 3,395,392
Change in accounting principle:	
Net effect of implementing GASB Statement No. 75	<u>(193,661)</u>
Net position, December 31, 2017, as restated	<u>\$ 3,201,731</u>

**REQUIRED
SUPPLEMENTARY INFORMATION**

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues -				
Ad valorem taxes	\$ 1,200,000	\$ 1,356,687	\$ 1,345,232	\$ (11,455)
State revenue sharing	12,000	7,716	11,581	3,865
Payments in lieu of taxes	36,000	35,213	35,075	(138)
Interest income	24,000	38,300	46,711	8,411
Miscellaneous income	22,500	55,719	51,791	(3,928)
Total revenues	<u>1,294,500</u>	<u>1,493,635</u>	<u>1,490,390</u>	<u>(3,245)</u>
Expenditures:				
Current -				
Personnel services and and related benefits	725,500	805,278	805,280	(2)
Operating services	170,348	198,154	202,026	(3,872)
Materials and supplies	184,652	228,849	231,681	(2,832)
Capital outlay	35,000	33,950	33,950	-
Total expenditures	<u>1,115,500</u>	<u>1,266,231</u>	<u>1,272,937</u>	<u>(6,706)</u>
Excess of revenues over expenditures	179,000	227,404	217,453	(9,951)
Fund balance, beginning of year	<u>4,273,683</u>	<u>4,273,683</u>	<u>4,273,683</u>	<u>-</u>
Fund balance, ending of year	<u>\$ 4,452,683</u>	<u>\$ 4,501,087</u>	<u>\$ 4,491,136</u>	<u>\$ (9,951)</u>

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended December 31, 2018

Total OPEB Liability	
Service Cost	\$ 27,536
Interest	32,010
Changes of benefit terms	-
Differences between expected and actual experience	(11,949)
Changes of assumptions	(94,788)
Benefit payments	<u>(19,538)</u>
Net change in total OPEB liability	(66,729)
Total OPEB liability-beginning	<u>916,742</u>
Total OPEB liability-ending	<u>850,013</u>
Covered employee payroll	\$ 537,476
Net OPEB liability as a percentage of covered -employee payroll	158.15%

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

ST. JAMES PARISH ASSESSOR
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Louisiana Assessors' Retirement and Relief Fund
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2018

<u>Plan/fiscal Year end</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
9/30/2015	0.947327%	\$ 495,758	\$ 460,638	107.6%	85.57%
9/30/2016	0.982161%	346,575	486,816	71.2%	90.68%
9/30/2017	1.012482%	177,661	559,110	31.8%	95.61%
9/30/2018	1.129719%	219,622	497,968	44.1%	95.46%

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

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Louisiana Assessors' Retirement and Relief Fund
Schedule of Employer Contributions
For the Year Ended December 31, 2018

Year ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 55,269	\$ 55,269	\$ -	\$ 460,638	12.00%
2016	54,752	54,752	-	486,816	11.25%
2017	42,570	42,570	-	559,110	7.61%
2018	41,195	41,195	-	514,934	8.00%

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

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Notes to Required Supplementary Information

(1) Budgetary and Budgetary Accounting

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

- a. A proposed budget is prepared and submitted to the Assessor for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Assessor. Such amendments were not material in relation to the original appropriations.

(2) Pension Plan – Louisiana Assessors’ Retirement Fund

Changes of Assumptions – Changes of assumptions about future economic 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. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

(3) Excess of Expenditures Over Appropriations

For the year ended December 31, 2018, the General Fund had actual expenditures over appropriations as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
Personnel services and related benefits	\$ 805,278	\$ 805,280	\$ (2)
Operating Services	198,154	202,026	(3,872)
Materials and supplies	228,849	231,681	(2,832)

OTHER SUPPLEMENTARY INFORMATION

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Comparative Statement of Net Position
December 31, 2018 and 2017

	Governmental Activities	
	2018	2017
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 1,647,028	\$ 1,596,275
Investments	1,523,060	1,437,530
Revenue receivable, net	1,341,901	1,255,855
Total current assets	4,511,989	4,289,660
Noncurrent assets:		
Capital assets, net	41,996	14,784
Total assets	4,553,985	4,304,444
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pension	342,744	155,196
LIABILITIES		
Current liabilities:		
Accounts payable	20,853	15,977
Noncurrent liabilities:		
Compensated absences	8,219	-
OPEB liability	850,013	723,081
Net pension liability	219,622	177,661
Total noncurrent liabilities	1,077,854	900,742
Total liabilities	1,098,707	916,719
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to postemployment benefit obligation	100,066	-
Deferred inflows of resources related to pension	223,868	147,529
Total deferred inflows of resources	323,934	147,529
NET POSITION		
Net investment in capital assets	41,996	14,784
Unrestricted	3,432,092	3,380,608
Total net position	\$ 3,474,088	\$ 3,395,392

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Comparative Balance Sheet
General Fund
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and interest-bearing deposits	\$ 1,647,028	\$ 1,596,275
Investments	1,523,060	1,437,530
Revenue receivable-		
Ad valorem taxes, net of allowance for uncollectible taxes (2018 - \$13,567, 2017 - \$0)	1,301,380	1,232,077
State revenue sharing	-	3,858
Payments in lieu of taxes	35,075	19,920
Accrued interest	<u>5,446</u>	<u>-</u>
Total assets	<u>\$ 4,511,989</u>	<u>\$ 4,289,660</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	<u>\$ 20,853</u>	<u>\$ 15,977</u>
Fund balance:		
Unassigned	<u>4,491,136</u>	<u>4,273,683</u>
Total liabilities and fund balance	<u>\$ 4,511,989</u>	<u>\$ 4,289,660</u>

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund
For the Years Ended December 31, 2018 and 2017

	2018	2017
Revenues:		
Intergovernmental revenues -		
Ad valorem taxes	\$ 1,345,232	\$ 1,259,917
State revenue sharing	11,581	3,855
Payments in lieu of taxes	35,075	35,079
Interest income	46,711	22,419
Other income	51,791	32,220
Total revenues	1,490,390	1,353,490
Expenditures:		
Current -		
Personnel services and and related benefits	805,280	716,482
Operating services	202,026	154,074
Materials and supplies	231,681	197,378
Capital outlay	33,950	-
Total expenditures	1,272,937	1,067,934
Excess of revenues over expenditures	217,453	285,556
Fund balance, beginning of year	4,273,683	3,988,127
Fund balance, ending of year	\$ 4,491,136	\$ 4,273,683

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Schedule of Expenditures Compared to Budget (GAAP Basis)
General Fund
For the Year Ended December 31, 2018
With Comparative Actual Amounts for Year Ended December 31, 2017

	2018				
	Budget		Actual	Variance - Favorable (Unfavorable)	2017 Actual
	Original	Final			
Current:					
Personnel services and related benefits -					
Salaries:					
Assessor	\$ 144,976	\$ 144,976	\$ 144,976	\$ -	\$ 144,976
Salaries and related benefits -	389,344	452,702	451,838	864	394,564
Allowance	13,180	13,180	13,180	-	13,180
Deferred compensation	35,000	43,225	43,225	-	33,600
Group insurance	100,000	110,000	110,866	(866)	87,591
Pension	43,000	41,195	41,195	-	42,571
Total personnel services and related benefits	<u>725,500</u>	<u>805,278</u>	<u>805,280</u>	<u>(2)</u>	<u>716,482</u>
Operating services -					
Professional fees	145,000	173,781	179,393	(5,612)	126,446
Advertising	300	600	598	2	300
Insurance	2,000	4,800	2,357	2,443	1,712
Telephone	10,000	6,912	5,671	1,241	6,291
Travel and conference	10,000	9,013	10,959	(1,946)	16,277
Equipment and lease expense	3,048	3,048	3,048	-	3,048
Total operating services	<u>170,348</u>	<u>198,154</u>	<u>202,026</u>	<u>(3,872)</u>	<u>154,074</u>
Materials and supplies -					
Office supplies and expense	10,000	8,000	8,252	(252)	8,790
Computer services and supplies	150,000	192,684	195,271	(2,587)	172,146
Automobile supplies and maintenance	20,000	20,165	21,465	(1,300)	11,113
Dues and subscriptions	4,652	6,000	5,926	74	4,318
Miscellaneous	-	2,000	767	1,233	1,011
Total materials and supplies	<u>184,652</u>	<u>228,849</u>	<u>231,681</u>	<u>(2,832)</u>	<u>197,378</u>
Capital outlay:					
Furniture, fixtures and equipment	35,000	33,950	33,950	-	-
Total expenditures	<u>\$ 1,115,500</u>	<u>\$ 1,266,231</u>	<u>\$ 1,272,937</u>	<u>\$ (6,706)</u>	<u>\$ 1,067,934</u>

**INTERNAL CONTROL,
COMPLIANCE, AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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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*

WWW.KCSRCPAS.COM

Honorable Glenn Waguespack
St. James Parish Assessor
Convent, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of St. James Parish Assessor (the Assessor), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements and have issued our report thereon dated June 7, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as items 2018-001(IC) which we consider to be a significant deficiency.

Compliance and Other Matters

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

St. James Parish Assessor's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 7, 2019

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Findings -

2018-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Organization did not have adequate segregation of functions within the accounting system.

CRITERIA: The Organization should have a control policy according to which no person should be given responsibility for more than one related function.

CAUSE: Due to the size of the Organization, there are a small number of available employees.

EFFECT: The Organization has employees that are performing more than one related function.

RECOMMENDATION: The Organization should establish and monitor mitigating controls over functions that are not completely segregated.

MANAGEMENT'S CORRECTION ACTION PLAN: Due to the size of the operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

B. Compliance Findings -

There are no findings to report under this section.

Part II. Prior Year Findings

A. Internal Control Findings -

2017-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Organization did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: The Organization should establish and monitor mitigating controls over functions that are not completely segregated.

CURRENT STATUS: Unresolved. See finding 2018-001.

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

2017-002 Qualified Staff Person to Apply GAAP

Fiscal year finding initially occurred: Unknown

CONDITION: The Organization did not have a staff person with the necessary qualifications and training to apply GAAP in recording their financial transactions or to prepare their financial statements and related notes.

RECOMMENDATION: The Organization should evaluate the cost-benefit of establishing internal controls over the preparation of the financial statements and related notes in accordance with GAAP.

CURRENT STATUS: Resolved.

B. Compliance Findings -

There are no findings to report under this section.

ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Agreed-Upon Procedures Report

Year Ended December 31, 2018

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

* A Professional Accounting Corporation

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The Honorable Glenn Waguespack,
St. James Parish Assessor and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the St. James Parish Assessor (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed 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.

Board or Finance Committee

(The following procedures were not performed since there were no exceptions in the prior year.)

- 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) 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.
 - c) Obtain the prior year audit report and observe the unrestricted fund balance in the General Fund. If the General Fund had a negative ending unrestricted 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 unrestricted fund balance in the General Fund.

Bank Reconciliations

(The following procedures were not performed since there were no exceptions in the prior year.)

- 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 the selected accounts, and observe that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included 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.

Collections

4. We obtained 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. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed 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. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. We randomly selected 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.* We obtained supporting documentation for each of the 10 deposits and:
 - a) We observed that receipts are sequentially pre-numbered.
 - b) We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) We traced the deposit slip total to the actual deposit per the bank statement.
 - d) We observed 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) We traced the actual deposit per the bank statement to the general ledger.

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

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained 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 observed 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.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
 - a) Observed that the disbursement matched the related original invoice/billing statement.
 - b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

(The following procedures were not performed since there were no exceptions in the prior year.)

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, by someone other than the authorized card holder.
 - 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 obtained 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).

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

(The following procedures were not performed since there were no exceptions in the prior year.)

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.

Contracts

15. We obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) We observed 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) We observed 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), we observed that the original contract terms provided for such an amendment.
 - d) We randomly selected one payment from the fiscal period for each of the 5 contracts, we obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

(The following procedures were not performed since there were no exceptions in the prior year.)

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 was reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums had been paid, and associated forms had been filed, by required deadlines.

Ethics

(The following procedures were not performed since there were no exceptions in the prior year.)

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.

Debt Service

(The following procedures were not performed since there were no exceptions in the prior year.)

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.

Other

(The following procedures were not performed since there were no exceptions in the prior year.)

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, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
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.

Exceptions:

No exceptions were found as a result of applying the procedures listed above.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the St. James Parish Assessor and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 7, 2019