

Luther Speight & Company
Certified Public Accountants and Consultants

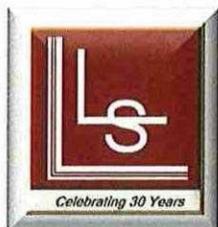
REGISTRAR OF VOTERS
FOR THE PARISH OF ORLEANS

FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Sandra Wilson,
Registrar of Voters for the Parish of Orleans
New Orleans, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Registrar of Voters for the Parish of Orleans (the Registrar) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Registrar'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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

Continued,

As described in Note 1, the accompanying financial statements of the Registrar are intended to present the financial position and results of operations arising from the Registrar's appropriations from the City of New Orleans (the City) as of the date of this audit report. As such, the accompanying financial statements present only that portion of the general fund that is attributable to the transactions of the Registrar arising from the annual appropriation made by the City to the Registrar.

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-8 and 30, schedule of proportionate share of the net pension liability and schedule of contributions and the related notes to required supplemental information on pages on pages 31-33 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Registrar's basic financial statements. The schedule of compensation, benefits, and other payments to agency head (the schedule) is presented to comply with the Act 706 of the 2014 Louisiana Legislative Session and is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Continued,

The schedule is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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, schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2019, on our consideration of the Registrar'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Registrar's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Registrar's internal control over financial reporting and compliance.

A handwritten signature in blue ink, appearing to read "Luther Speight & Co". The signature is stylized and cursive.

Luther Speight & Company CPAs

New Orleans, Louisiana

June 24, 2019

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

The Registrar of Voters for the Parish of Orleans' (the Registrar) management's discussion and analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of the Registrar's financial activity, and identify changes in the Registrar's financial position and its ability to address the next and subsequent year financial challenges.

The following is an illustration on how this financial report is presented.

MD&A Management's Discussion and Analysis (Required and Supplementary Information)

Basic Financial Statements Government – Wide Financial Statements Fund Financial Statements Notes to the Financial Statements
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Other Required Supplementary Information
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Government-Wide Financial Statements

The government-wide financial statements are new and provide a perspective of the Registrar as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two government-wide statements: the Statement of Net Position and the Statement of Activities.

The Statement of Net Position, combines and consolidates governmental funds' current financial resources (short-term spendable resources) with the capital assets and long-term obligations, regardless of if they are currently available or not.

Consistent with the full accrual basis of accounting, the Statement of Activities accounts for the current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the cost of various services.

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Continued,

Statement of Net Position

The Statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The statement is presented in a format that displays *assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position*. Net position represents the difference between all other elements in a statement of financial position and should be displayed in three components—*net investment in capital assets; restricted; and unrestricted*.

Restricted Component of Net Position

The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

Unrestricted Component of Net Position

The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Fund Financial Statements

Revenues are recorded when received except when they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used. In addition, capital asset purchases are expensed and not recorded assets. Debt payments are recorded as expenditures in the current year and future debt obligations are not recorded. The General Fund is the only fund of the Registrar. The General Fund is used primarily to account for the operations of the Registrar's office. Its revenues are derived from appropriations received from the City of New Orleans.

REGISTRAR OF VOTERS OF THE PARISH FOR ORLEANS
 NEW ORLEANS, LOUISIANA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2018

The comparative net position of the Registrar is as follows:

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Cash in Bank	\$26,711	\$21,709
Intergovernmental receivables	20,170	4,850
Capital assets, net (Note 4)	<u>1,446</u>	<u>2,025</u>
Total Assets	<u>48,327</u>	<u>28,584</u>
Deferred Outflows:		
Pension Related	<u>114,152</u>	<u>112,569</u>
Total Assets and Deferred Outflows	<u><u>162,479</u></u>	<u><u>141,153</u></u>
 <u>LIABILITIES</u>		
Accounts Payable	9,350	7500
Accrued Payroll	10,820	9,852
Compensated absences payable	26,030	38,523
Net Pension Liability	<u>595,215</u>	<u>427,143</u>
Total Liabilities	<u>641,414</u>	<u>483,018</u>
Deferred Inflows:		
Pension Related	<u>89,581</u>	<u>110,133</u>
Total Liabilities and Deferred Outflows	<u><u>730,995</u></u>	<u><u>593,151</u></u>
 <u>NET POSITION</u>		
Invested in Capital assets	1,446	2,025
Unrestricted	<u>(569,963)</u>	<u>(454,023)</u>
Total Net Position	<u>(568,517)</u>	<u>(451,998)</u>
<u>LIABILITIES AND NET POSITION</u>	<u><u>\$162,479</u></u>	<u><u>\$141,153</u></u>

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
 NEW ORLEANS, LOUISIANA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2018

Net position can be separated into two categories: invested in capital assets and unrestricted net position. Invested in capital assets is a combination of capital assets at original cost less accumulated depreciation. The original cost of capital assets is \$126,860, which is an accumulation of capital assets acquired less any capital disposals. The accumulated depreciation is the accumulation of depreciation expense since acquisition. This balance reflects a total \$125,414 resulting in net fixed assets of \$1,446. In accordance with accounting principles generally accepted in the United States of America, depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. The unrestricted net position is an accumulation of prior year's changes in net position. This balance is directly affected each year by the Registrar's current change in net position.

Analysis of changes in net position:

Revenues:	2018	2017
Intergovernmental revenues	<u>\$363,893</u>	<u>\$381,749</u>
Other revenues	-	29,484
Total Revenues	<u>363,893</u>	<u>411,233</u>
Expenses:		
Program service expenses	<u>480,412</u>	<u>379,642</u>
Total Expenses	<u>480,412</u>	<u>379,642</u>
Increase/(Decrease) in net position	<u>\$116,519</u>	<u>\$31,591</u>

Capital Assets

At December 31, 2018, the Registrar had \$1,446 invested in furniture and equipment.

Furniture and Equipment	\$129,749
Less accumulated depreciation	<u>(128,303)</u>
Net capital assets	<u>\$ 1,446</u>

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Budget

As required by state law, the Registrar adopts the original budget for the office prior to the commencement of the fiscal year which the budget applies.

Revenue Budget

The Registrar's intergovernmental revenue budget was provided by the City of New Orleans in the form of appropriations totaling \$375,945.

Contacting the Registrar Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Registrar's finances and demonstrate the Registrar's accountability for money it receives. If you have questions about this report or need additional information, contact Dr. Sandra L. Wilson, Registrar, at Room 1W23 City Hall, New Orleans, Louisiana 70112.

BASIC FINANCIAL STATEMENTS

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
 NEW ORLEANS, LOUISIANA
 STATEMENT OF NET POSITION
 DECEMBER 31, 2018

ASSETS

Cash in Bank	\$	26,711
Intergovernmental receivables		20,170
Capital assets, net (Note 4)		<u>1,446</u>
Total Assets		<u>48,327</u>
Deferred Outflows:		
Pension Related		<u>114,152</u>
Total Assets and Deferred Outflows		<u><u>162,479</u></u>

LIABILITIES

Accounts Payable		9,350
Accrued Payroll		10,820
Compensated Absences Payable		26,030
Net Pension Liability		<u>595,215</u>
Total Liabilities		<u>641,414</u>
Deferred Inflows:		
Pension Related		<u>89,581</u>
Total Liabilities and Deferred Outflows		<u><u>730,995</u></u>

NET POSITION

Invested in Capital assets		1,446
Unrestricted		<u>(569,963)</u>
Total Net Position		<u>(568,517)</u>

LIABILITIES AND NET POSITION		<u><u>\$ 162,479</u></u>
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The accompanying notes are an integral part of these financial statements

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
 NEW ORLEANS, LOUISIANA
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2018

<u>FUNCTIONS / PROGRAMS</u>	<u>Expenses</u>	<u>General Revenues</u>		<u>Net</u>
		<u>Charges for</u>	<u>Operating</u>	<u>(Expenses)</u>
		<u>Services</u>	<u>Public Support</u>	<u>Revenue</u>
Governmental activities:				
General government	\$ 480,412	\$ -	\$ 363,893	\$ (116,519)
Total governmental activities:				<u>(116,519)</u>
Other revenues:				
Interest income				<u>-</u>
Total general revenues and transfers				<u>-</u>
Changes in net position				(116,519)
Net position - beginning of year				<u>(451,998)</u>
Net position - end of year				<u><u>\$ (568,517)</u></u>

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

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
 NEW ORLEANS, LOUISIANA
 BALANCE SHEET - GOVERNMENTAL FUND
 DECEMBER 31, 2018

ASSETS

Cash	\$	26,711
Due from the City of New Orleans		<u>20,170</u>
Total Assets		<u>46,881</u>

LIABILITIES

Accounts Payable		9,350
Accrued Payroll		<u>10,820</u>
Total Liabilities		<u>20,170</u>

Fund Balance

Fund Balance Unreserved		<u>26,711</u>
Total fund balance		<u>26,711</u>
Total liabilities and fund balance	\$	<u><u>46,881</u></u>

The accompanying notes are an integral part of these financial statements

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUES

Intergovernmental Revenue	\$ 363,893
Total revenue	363,893

EXPENDITURES

Salaries and Fringe Benefits	330,847
Professional Services	9,350
Printing & Binding	50
Dues & Subscriptions	7,189
Convention & Travel	10,054
Rent & Leases	834
Repairs and Maintenance	4,247
Telephone & Communication	1,637
Miscellaneous	2,448
Office supplies	5,004
Equipment and Other Supplies	709
Total expenses	372,369

Net change in fund balance	(8,476)
Fund balance, beginning of year	15,565
Fund balance adjustment	19,622
Fund balance, end of year	\$ 26,711

The accompanying notes are an integral part of these financial statements

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
 NEW ORLEANS, LOUISIANA
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND
 TO THE STATEMENT OF NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2018

Total fund balance-Governmental Fund	\$ 26,711
Deferred Outflows	114,152
Amount reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund:	1,446
Long-term liabilities are not due and payable in the current period therefore are not reported in the fund:	
Compensated Absences	(26,030)
Deferred Inflows	(89,581)
Net Pension Liability	(595,215)
Net position of governmental activities	<u>\$ (568,517)</u>

The accompanying notes are an integral part of these financial statements

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
 NEW ORLEANS, LOUISIANA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES TO THE
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2018

Total net change in fund balance-Governmental Fund	<u>\$ (8,476)</u>
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Amount reported for governmental activities in the
 Statement of Activities are different because:

The Governmental Fund reported capital outlays as
 expenditures whereas in the Statement of Activities
 these costs are depreciated over their estimated lives:

Depreciation expense	559
Capital outlays	-
Non-employer contributions to cost-sharing pension plan	-
Pension Expense	(125,245)
Decrease in Compensated Absence Liability	16,643

Total change in net position of governmental activities	<u><u>\$ (116,519)</u></u>
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The accompanying notes are an integral part of these financial statements

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 – BACKGROUND

The Registrar of Voters for the Parish of Orleans (the Registrar) is a non-partisan subdivision of the State of Louisiana and is subject to the direction of the Commissioner of Elections. The Registrar is responsible for the registration of voters and for the administration and enforcement of the laws, rules and regulation of the State of Louisiana and the Louisiana Civil Service Commission and after appointment can only be removed by majority vote of the State Board of Election Supervisors for conviction of a felony or specific types of conduct, as set forth in Louisiana Revised Statute 18:53.

Basis of Presentation

The accompanying financial statements of the Registrar have been prepared in conformity with accounting principals generally accepted in the United States of America applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Special-Purpose Financial Statement Presentation

The accompanying special-purpose financial statements include only the appropriations received by the Registrar from the City of New Orleans (the City). As provided by Louisiana Revised Statutes 18:55-59, the State pays, through the Commissioner of Elections, a portion of the salary of the Registrar, the Chief Deputy, and the Confidential Assistant, and one-half of the salaries of the regular employees for each year plus related retirement and other benefits. This compensation is paid directly by the State to the Registrar and its employees and is not included in the accompanying special-purpose financial statements. As such, the accompanying financial statements present only that portion of the general fund that is attributable to the transactions arising from the City's appropriations to the Registrar.

In accordance with Governmental Accounting Standards Board pronouncements, the Registrar reports its net position in separate categories, 1) Investment in Capital Assets 2) Restricted and 3) Unrestricted.

Investment in Capital Assets – consists of capital assets, net of accumulated depreciation.

Restricted Net position include realized gains and losses, investment income and gifts and contributions for which donor-imposed restrictions have not been met.

Unrestricted Net Position – consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets often are designated to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources which are imposed by management but can be removed or modified.

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Continued,

The Statement of Activities – demonstrates the degree to which the direct expenses of a given function or segments are offset by the program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided by a given function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenue.

Fund Accounting

The Registrar uses a fund (General Fund) to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

The fund of the Registrar is classified as a governmental fund (General Fund), which accounts for the Registrar's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of fixed assets.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Registrar.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Continued,

Fund Financial Statements (FFS)

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

The focus of governmental fund financial statements is on major funds than reporting funds type. Each major fund is presented in a separate column. At December 31, 2018, the general fund is the only major fund of the Registrar.

The General Fund is maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Operating Budget

The Registrar adopts a budget (appropriation request) on a calendar year basis for consideration by the City of New Orleans in the preparation of their operating budget of expenditures. The Registrar's budget is submitted to the City prior to November 1. The City advertises, holds hearings, and not later than December 1, the budget is legally enacted through passage of an ordinance. Appropriations for the Registrar's office are listed under the Judicial and Parochial as separate line items.

Cash Account

Cash consists solely of demand deposits fully secured by Federal deposit insurance.

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS\
DECEMBER 31, 2018

Continued,

Vacation and Sick Leave

Employees of the Registrar, not including the Registrar of Voters, earn and accumulate vacation and sick leave at varying rates according to their years of service. The amount of vacation and sick leave that may be accumulated by each employee is limited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused vacation leave at the employees' hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used in computing retirement benefits. The liability for unused vacation leave payable at December 31, 2018, is 26,030.

Estimates

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

Capital Assets

Capital assets are valued at historical cost (at the time purchased), or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their fair market value on the date received. Depreciation has been provided over estimated useful lives of the assets using the straight-line method. The estimated useful lives of furniture and equipment are 5 years.

Depreciation expense for the year ended December 31, 2018 is recorded at \$559.

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 3 – PENSION PLAN

Substantially all of the employees of the Registrar's office are members of the Registrars of Voters Employees' Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan, controlled and administered by a separate board of trustees.

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

Basis of Accounting:

The Registrar of Voters Employees' Retirement System's employer schedules are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of June 30, 2018.

System Employees:

The System is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the System's employees is allocated to the remaining employers based on their respective employer allocation percentage.

Plan Fiduciary Net Position:

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

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. PLAN DESCRIPTION:

The System was established on January 1, 1955 for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of voters, their deputies and their permanent employees in each parish. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any member hired prior to January 1, 2013 is eligible for normal retirement after he has 20 years of creditable service and is age 55 or has 10 years of creditable service and is age 60. Any member with 30 years of creditable service regardless of age may retire. Regular retirement benefits for members hired prior to January 1, 2013 are calculated at 3.33% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member hired on or after January 1, 2013 is eligible for normal retirement after he has attained 30 years of creditable service and is age 55; has attained 20 years of creditable service and is age 60; or has attained 10 years of creditable service and is age 62. Regular retirement benefits for members hired on or after January 1, 2013 are calculated at 3.00% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation. Retirement benefits for members hired on or after January 1, 2013 that have attained 30 years of creditable service with at least 20 years of creditable service in the System are calculated at 3.33% of the average annual compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member whose withdrawal from service occurs prior to attaining the age of sixty years, who shall have completed ten or more years of creditable service and shall not have received a refund of his accumulated contributions, shall become eligible for a deferred allowance beginning upon his attaining the age of sixty years.

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Continued,

Disability benefits are provided to active contributing members with at least 10 years of service established in the System and who have been officially certified as disabled by the State Medical Disability Board. The disabled member who has attained the age of sixty years shall be entitled to a regular retirement allowance.

The disabled member who has not yet attained age sixty shall be entitled to a disability benefit equal to the lesser of three percent of his average formal compensation multiplied by the number of creditable years of service (not to be less than fifteen years) or three and one third percent of average final compensation multiplied by the years of service assuming continued service to age sixty. Disability benefits may not exceed two-thirds of earnable compensation.

If a member who has less than five years of credited service dies due to any cause other than injuries sustained in the performance of his official duties, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, and is not eligible to retire, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option 2 factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse and the member has five or more years of creditable service, the surviving minor children under 18 or disabled children shall be paid 80% of the accrued retirement benefit in equal shares until the age of majority or for the duration of the handicap for a handicapped child. Upon the death of any former member with 10 or more years of service, automatic option 2 benefits are payable to the surviving spouse. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

In lieu of terminating employment and accepting a service retirement allowance, any member with ten or more years of service at age sixty, twenty or more years of service at age fifty-five, or thirty or more years of service at any age may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the System terminates. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does not earn interest. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Continued,

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. The monthly benefits that were being paid into the Deferred Retirement Option Plan fund will begin to be paid to the retiree. If the participant dies during participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the System.

Cost of living provisions for the System allows the board of trustees to provide an annual cost of living increase of 2.5% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have reached the age of sixty and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

2. EMPLOYER CONTRIBUTIONS:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the actual employer contribution rate was 17.00%.

In accordance with state statute, the System also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2018.

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

At June 30, 2018, the Registrar reported a liability of \$595,215 for its proportionate share of the net pension liability of the Plan. This amount includes a reduction of \$23,425 based upon employer contributions made by the Registrar subsequent to the Plan's June 30, 2018 measurement date. The net pension liability was measured as of June 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 Registrar's proportion of the net pension liability was based on a projection of the Registrar's long-term share of contributions to the pension plans relative to the project contributions of all participating employers, actuarially determined. At June 30, 2018, the Registrar's proportion was 1.986268%. The Court recognized pension expense of \$125,245 representing its proportionate share of the Plan's net expense, including amortization of deferred amounts.

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Continued,

For the year ended June 30, 2018 the Registrar reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Differences between Expected and Actual Experience:

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

Changes of Assumptions:

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

Change in Proportion:

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

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2018

A table reflecting the amounts is as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 71,538	\$ -
Changes in assumptions	76,798	7,046
Changes in proportion	9,191	10,997
Net difference between projected and actual earnings on pension plan investments	28,163	
Employer contributions subsequent to measurement date	<u>23,425</u>	
Totals	<u>\$ 209,115</u>	<u>\$ 18,043</u>

The deferred outflows related to employer contributions subsequent to the measurement date reported at \$23,425 will be recognized as a reduction of the net pension liability in the Registrar's fiscal year ended December 31, 2018 financial statements.

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2018

Continued,

Other amounts reported as deferred outflows of resources and deferred inflows of resources, including the remaining Plan's amortization, related to pensions will be recognized in pension expenses as follow:

Remaining deferred amounts from current year change in proportion	Remaining deferred amounts from prior years changes in proportion	Total deferred amounts from changes in proportion
\$ 7,160	\$ (8,966)	\$ (1,806)

The Registrar's required projected employer contributions are the basis used to determine the proportionate relationship of the Registrar to all employers of Louisiana Registrar of Voters Employees' Retirement System. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The plan's allocation percentages were used in calculating the Registrar's proportionate share of the pension amounts. The allocation method used in determining each employer's proportion was based on the employer's projected contribution effort to the plan for 2018 as compared to the total of all employers' projected contribution effort to the plan for the 2018. The employers' projected contribution effort was actuarially determined by the System's actuary.

3. ACTUARIAL METHODS AND ASSUMPTIONS:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Valuation Date	6/30/2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.50%, net of investment expense
Projected Salary Increases	6.0% (2.4% Inflation)
Mortality Rates	RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants and beneficiaries
	RP-2000 Disabled Lives Mortality Table for disabled annuitants
Expected Remaining Service Lives	2015 to 2018 - 5 years
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2018

Continued,

The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2010 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 8.83% for the year ended June 30, 2018.

Expected Rates of Return

The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2018 were as follows:

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Domestic Equities	40%	7.50%	3.00%
International Equities	20%	8.50%	1.70%
Domestic Fixed Incomes	13%	2.50%	0.31%
International Fixed Incomes	10%	3.50%	0.35%
Alternative Investments	10%	6.33%	0.63%
Real Estate	8%	4.50%	0.34%
Totals	<u>100%</u>		<u>6.33%</u>
Inflation			<u>2.50%</u>
Expected Arithmetic Nominal Return			<u>8.83%</u>

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2018

Continued,

The discount rate used to measure the total pension liability was 6.50% which was a decrease of 0.025% from the discount rate used since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary.

Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

A. Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.50%, as well as what the employers' 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 rate.

	1% Decrease 5.50%	Current 6.50%	1% Increase 7.50%
2015 Employer's net pension liability	\$719,064	\$468,845	\$254,207

The Registrar's proportionate share of employer contributions as of June 30, 2018 reflected \$46,971, while the proportionate share of non-employer contributions reflected 58,233.

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
 NEW ORLEANS, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2018

NOTE 4 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2018 are as follows:

<u>CAPITAL ASSETS</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Furniture & Equipment	\$129,749	\$ -	\$ -	\$129,749
Accumulated Depreciation	<u>(124,835)</u>		-	<u>(124,835)</u>
NET CAPITAL ASSETS	<u>\$11,689</u>			<u>\$2,025</u>
Less: Current Year Depreciation Expense				<u>(578)</u>
Net Capital Assets				<u>\$1,446</u>

NOTE 5 - SUBSEQUENT EVENTS

The Registrar is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. The Registrar performed such an evaluation through June 24, 2019. Subsequent events after that date have not been evaluated.

REQUIRED SUPPLEMENTARY INFORMATION

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
 NEW ORLEANS, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual
<u>PROGRAM REVENUES</u>		
Appropriations - City of New Orleans	\$ 375,945	\$ 373,243
Total program revenue	\$ 375,945	373,243
<u>EXPENDITURES</u>		
Salaries and fringe benefits	330,545	330,847
Professional services	8,000	9,350
Printing & Binding	4,500	50
Dues & Subscriptions	200	7,189
Convention & Travel	8,000	10,054
Rent & Leases	12,200	834
Repairs and Maintenance	3,000	4,247
Telephone	1,500	1,637
Miscellaneous	-	2,448
Office Supplies	8,000	4,638
Equipment and Other Supplies	-	1,075
Total expenses	\$ 375,945	\$ 372,369

The accompanying notes are an integral part of these financial statements

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Registrar's Proportion of the Net Pension Liability	1.98627%	1.945888%	1.999835%	1.979175%
Registrar's Proportionate Share of the Net Pension Liability	\$ 468,845	427143	567457	484708
Registrar's Covered-Employee Payroll	\$ 330,847	330938	348847	329365
Registrar's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	142%	129%	163%	147%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	121.26%	105.82%	85.22%	94.35%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
 SCHEDULE OF CONTRIBUTIONS - RETIREMENT PLAN
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Contractually Required Contribution	\$ 46,849	53605	62167	65106
Contributions in Relation to the Contractually Required Contribution	51,006	53605	62167	65106
Contribution Deficiency/(Excess)	\$ (4,157)	\$ -	\$ -	\$ -
Registrar's Covered-Employee Payroll	\$ 330,847	330938	348847	329365
Contributions as a Percentage of Covered-Employee Payroll	15.42%	16.20%	17.82%	19.77%

See Independent Auditors' Report

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1: CHANGES IN BENEFIT TERMS

There were no significant changes in benefit terms during the years presented on the accompanying schedules.

NOTE 2: CHANGES IN ASSUMPTIONS

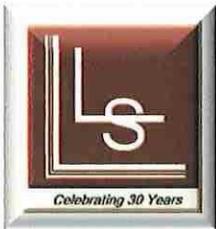
The Plan lowered its investment rate of return to 6.50% from a level of 6.75% for the prior year.

OTHER SUPPLEMENTARY INFORMATION

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
 NEW ORLEANS, LOUISIANA
 SCHEDULE OF COMPENSATION, PAYMENTS, AND
 OTHER BENEFITS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
 FOR THE YEAR ENDED DECEMBER 31, 2018

Agency Head Name: Sandra L. Wilson

Purpose	Amount
Salary	\$125,245
Benefits-insurance	N/A
Benefits-retirement	Contributions by employee
Benefits-<list any other here>	N/A
Car allowance	N/A
Vehicle provided by government	N/A
Per diem**	N/A
Reimbursements**	N/A
Travel	N/A
Registration fees**	N/A
Conference travel**	N/A
Continuing professional education fees**	N/A
Housing**	N/A
Unvouchered expenses	N/A
Special meals	N/A



Luther Speight & Company
Certified Public Accountants and Consultants

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

To the Honorable Sandra Wilson, Registrar for the Parish of Orleans
New Orleans, Louisiana State

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 each major fund of the Registrar of Voters for the Parish of Orleans (the Registrar), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Registrar's basic financial statements and have issued our report thereon dated June 24, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Registrar'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 Registrar's internal control. Accordingly, we do not express an opinion on the effectiveness of the Registrar'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.

Continued,

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as items 18-01 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Management's Response to Findings

The Registrar's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Registrar'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.



Luther Speight & Company CPAs

New Orleans, Louisiana
June 24, 2019

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2018

FINDING NO. 2018-01: PAYROLL AND HUMAN RESOURCE PROCEDURES NOT CONSISTENTLY FOLLOWED

CRITERIA:

The Registrar's Office Policy Manual requires each staff to sign-in daily in the attendance record folder. Each employee must also prepare and sign a time and attendance report each bi-weekly payroll period.

CONDITION:

The Registrar's payroll processing and human resource procedures were not consistently implemented. We examined a sample of fifty-nine (59) payroll transactions and six (6) personnel files and noted the following:

- a) The pay rates per the personnel files did not agree with the gross pay computations per the payroll registers for 4 out of the 6 employees examined.
- b) Thirteen (13) of the payroll transactions were not supported by a sign in sheet for the payroll period examined.
- c) Sixteen (16) payroll transactions had sign in sheets that were fully not complete, including missing sign-out times, missing full days of sign in/sign out times and no supervisory approvals.

CAUSE:

We were unable to determine the cause for this condition.

EFFECT:

The internal control environment over payroll and human resources was not adequate.

RECOMMENDATION:

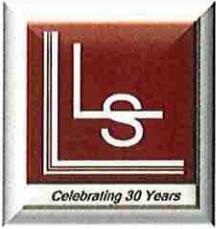
We recommend that the Registrar implement measures to enforce compliance with established Office Policies related to time and attendance reporting.

MANAGEMENT'S RESPONSE:

The Registrar's policy manual is specific as it relates to payroll processing procedures and personnel file maintenance. The Registrar will review these policies with the office supervisor to improve compliance. Variances in state and parish pay rates occur when employees earn overtime, which is paid only by the state. Variances in state and parish pay rates also occur with unclassified employees.

REGISTRAR OF VOTERS FOR THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
UPDATE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

There were no prior year findings.

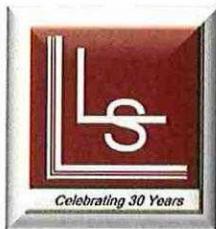


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**REGISTRAR OF VOTERS
FOR THE PARISH OF ORLEANS**

AGREED UPON PROCEDURES REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018



Luther Speight & Company
Certified Public Accountants and Consultants

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

To the Honorable Sandra L. Wilson
Registrar of Voters for the Parish of Orleans
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Registrar of Voters for the Parish of Orleans (ROV) 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. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

Results: *The Registrar is housed in City Hall at the City of New Orleans. Budgeting is accomplished through the City Council of New Orleans and is processed through the City's accounting System. The Registrar does not have a need for a separate policy for budgeting.*

- 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.

Results: Purchasing and disbursements are also coordinated and processed through the City's accounting system so the Registrar follows the City's policies. The Registrar does not have a need for a separate policy for purchasing.

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

Results: See Purchasing above.

- 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).

Results: The Registrar does not collect actual cash or checks at their office, so there is not a need for a Receipts/Collection policy.

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

Results: We obtained the Registrar's Office Policy Manual, which details payroll procedures. We noted procedures for attendance and leave records.

- 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

Results: Not applicable. All contracts are maintained via either the City of New Orleans or the State of Louisiana's purchasing system.

- 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)

Results: Not applicable. The Registrar does not maintain credit cards.

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

Results: *The Registrar complies with the City of New Orleans' Policy for Travel and Business Expenses. We obtained Policy Memorandum No. 9, which details the City's travel policies.*

- 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.

Results: *The Registrar follows the City of New Orleans' ethics policies. We noted the Registrar's employees complete ethics training.*

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

Results: *Not applicable—no debt outstanding.*

Board or Finance Committee

Results: *The Registrar does not have a Board of Directors. However, the City of New Orleans has regular meetings and posts videos of the meetings online. AUP step is not applicable to the Registrar.*

Bank Reconciliations

2. 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 each selected account, and observe that:

Results: *We noted the Registrar only has one bank account and management's representation was obtained.*

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

Results: We noted the bank reconciliation was prepared within 2 weeks after year-end.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Results: We noted the bank reconciliation was initialed and dated by the Registrar, who does not handle cash, post ledgers, or issue checks.

- 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.

Results: We noted no reconciling items on the selected bank reconciliation.

Collections

Results: We noted that the Registrar does not collect cash or checks at its office location. Collections AUP step is not applicable.

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

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

Results: Most disbursements are made from the City via electronic payments. For smaller purchases, such as office supplies, the Registrar staff can purchase them online with an account set up with the vendor. We obtained the Budget vs Actual workbook, which details the payments made on behalf of the Registrar. We obtained management's representation that all disbursements made in 2018 were in the workbook.

4. For each location selected under #3 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

Results: *A purchase request is performed by a Registrar employee and sent to the City Buyer and the purchase order is created by Buyer, who then initiates the purchase. However, for smaller purchases, the Registrar employee can initiate the purchase online via the vendor's website with an account already set up. While the Registrar employee does attempt to stay within the budget, a second employee is not necessary to initiate those smaller purchases.*

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

Results: *See results and management's response at 4a) above.*

- 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.

Results: *The Registrar utilizes the City's purchasing system. Adding new vendors requires the City's purchasing department approval.*

- 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.

Results: *We noted there are no physical checks used for disbursements. All disbursements are made either through wire transfers or electronic payments online.*

5. For each location selected under #3 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

Results: *We noted that each disbursement in the sample matched the related support. No exceptions were noted.*

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #4, as applicable.

Results: *No findings noted, other than what is mentioned in Step #4 above.*

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

Results: We noted the Registrar does not maintain credit cards. Credit Cards AUP step is considered not applicable

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

6. 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:

Registrar: We obtained all travel expenses from the City's Budget to Actual workbook. We obtained management's representation that the listing was complete.

- 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).

Results: We noted no per diems in the transactions we selected.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Results: Travel costs were supported by itemized receipts. No findings noted.

- 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).

Results: Business purpose was documented for each transaction. No findings noted.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: We noted that the travel expenses were properly approved.

Contracts

Results: We noted that contracts are maintained via either the City of New Orleans or the State of Louisiana's purchasing systems. Contracts AUP step is considered not applicable.

Payroll and Personnel

7. 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.

Results: *Of the 5 employees selected, we noted that 4 of their pay rates per their personnel files did not match the pay rate on the payroll registers. However, we noted the variance was not significant for the payroll period reviewed.*

Management's Response:

The Registrar's policy manual is specific as it relates to payroll processing procedures and personnel file maintenance. Variances in state and parish pay rates occur when employees earn overtime, which is paid only by the state. Variances in state and parish pay rates also occur with unclassified employees.

8. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #7 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.)

Results: *Of the 5 employees selected for the one pay period, we noted that all 5 of their attendance and leave was documented.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Results: *Of the 5 employees selected for the one pay period, we noted that all 5 of their attendance and leave records was approved by a supervisor.*

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results: *We noted the Registrar keeps track of all employees leave hours taken and hours remaining in a report. We use this report for the payroll accrual for the audit.*

9. 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.

Results: *We noted only one terminated employee during 2018. We noted the employee's time sheet was missing for their last payroll period. All other information agreed to the file.*

Management's Response: *The employee noted was not due to report during the time indicated.*

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

Results: *Management's representation obtained.*

Ethics

11. Using the 5 randomly selected employees/officials from procedure #7 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.

Results: *We noted an Ethics training certificate was in each employee's personnel file.*

- 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.

Results: *We noted the Registrar has an Office Policy Manual, but does not have an official Ethics policy.*

Management's Response: *All Registrar employees receive annual ethics training. We will update the policy manual to include an ethics policy. Additionally, the Ethics Policy of all Registrar of Voters Offices is that of the Office of the Secretary of State.*

Debt Service

Results: *We noted no debt was issued during fiscal 2018. Debt Service AUP step is not applicable.*

Other

12. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: *We were advised by the Registrar that no misappropriations of public funds or assets occurred during the year.*

13. 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.

Results: *We noted the required notice posted on the Registrar's premises. In addition, the Registrar's office is located within City Hall and the lobby has the required postings. The City of New Orleans has the notice posted on their website.*

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

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



Luther Speight & Company CPAs
New Orleans, Louisiana
June 24, 2019