

**ST. CHARLES PARISH ASSESSOR**  
Hahnville, Louisiana

Annual Financial Report

Year Ended December 31, 2018

## Table of Contents

INDEPENDENT AUDITOR'S REPORT	3-5
REQUIRED SUPPLEMENTARY INFORMATION (PART I)	
Management's Discussion and Analysis	6-11
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position	12
Statement of Activities	13
FUND FINANCIAL STATEMENTS	
Balance Sheet - Governmental Fund	14
Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Government-Wide Statement of Activities	17
Notes to Basic Financial Statements	18-51
REQUIRED SUPPLEMENTARY INFORMATION (PART II)	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual	52
Schedule of Changes in Total OPEB Liability and Related Ratios	53
Schedule of the Employer's Proportionate Share of the Net Pension Liability	54
Schedule of the Employer's Pension Contributions	55
Notes to the Required Supplementary Information	56
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	57

Table of Contents - Continued

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	58-59
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	60
SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN	61

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## **INDEPENDENT AUDITOR'S REPORT**

**Mr. Tab T. Troxler  
St. Charles Parish Assessor  
Hahnville, Louisiana**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the St. Charles Parish Assessor as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the 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 an opinion 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 risk 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 opinion.

## **Opinion**

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the St. Charles Parish Assessor 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.

## **Emphasis of Matter**

As disclosed in Note 17 to the financial statements, for the year ended December 31, 2018, the Assessor implemented Governmental Accounting Standards Board (GASB) Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The new standard required the Assessor to record its proportionate share of the collective total other postemployment benefits (OPEB) liability related to its participation in its single-employer defined benefit OPEB plan. As a result of the implementation, the Assessor's net position decreased by \$1,844,877 and the OPEB liability increased by \$1,844,877, as of January 1, 2018.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-11 and the budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedule of the employer's proportionate share of the net pension liability, schedule of the employer's pension contributions, and the accompanying notes to the required supplementary information on pages 52-56 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 Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the St. Charles Parish Assessor's basic financial statements. The schedule of compensation, benefits, and other payments to agency head or chief executive officer on page 57 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head or chief executive officer is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, the information 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 19, 2019 on our consideration of the St. Charles Parish Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 St. Charles Parish Assessor's internal control over financial reporting and compliance.

  
Harvey, Louisiana  
June 19, 2019

## ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

### Management's Discussion and Analysis

Within this section of the annual financial report of the St. Charles Parish Assessor, the St. Charles Parish Assessor's management provides this narrative discussion and analysis of the financial activities of the St. Charles Parish Assessor for the year ended December 31, 2018. The St. Charles Parish Assessor's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

#### **FINANCIAL HIGHLIGHTS**

The St. Charles Parish Assessor's assets exceeded its liabilities by \$472,018 (net position) for the year reported.

Total net position is comprised of the following:

- Net investment in capital assets of \$158,357 includes property and equipment, net of accumulated depreciation.
- Unrestricted net position of \$313,661 represents the portion available to maintain the St. Charles Parish Assessor's continuing obligations to citizens and creditors.

The St. Charles Parish Assessor's General Fund reported total ending unassigned fund balance of \$4,160,666 this year. This compares to the prior year ending unassigned fund balance of \$4,010,054 showing a increase of \$150,612 during the current year.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management's Discussion and Analysis document introduces the St. Charles Parish Assessor's basic financial statements. The basic financial statements include: (1) government – wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The St. Charles Parish Assessor also includes in this report additional information to supplement the basic financial statements.

## ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

### Management's Discussion and Analysis

#### **GOVERNMENT – WIDE FINANCIAL STATEMENTS**

The St. Charles Parish Assessor's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the St. Charles Parish Assessor's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the St. Charles Parish Assessor's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the St. Charles Parish Assessor as a whole is improving or deteriorating. Evaluation of the overall health of the St. Charles Parish Assessor would extend to other nonfinancial factors in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the St. Charles Parish Assessor's net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the St. Charles Parish Assessor's distinct activities or functions on revenues provided by the Parish and the State of Louisiana.

The government-wide financial statements present governmental activities of the St. Charles Parish Assessor that are principally supported by intergovernmental revenues. The purpose of these governmental activities is to assess all real and moveable property in the parish subject to ad valorem taxation.

The government-wide financial statements are presented on pages 12 and 13 of this report.

#### **FUND FINANCIAL STATEMENTS**

A fund is an accountability unit used to maintain control over resources that have been segregated for specific activities or objectives. The St. Charles Parish Assessor uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the St. Charles Parish Assessor's most significant funds rather than the St. Charles Parish Assessor as a whole.

## ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

### Management's Discussion and Analysis

The St. Charles Parish Assessor has only governmental funds.

Governmental funds are reported in the fund financial statements and encompass the same function as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements which provide a distinctive view of the St. Charles Parish Assessor's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term decisions regarding revenues and expenses. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The governmental fund financial statements are presented on pages 14 -17 of this report.

### **NOTES TO THE BASIC FINANCIAL STATEMENTS**

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 18 of this report.

### **OTHER INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the St. Charles Parish Assessor's budget presentations. Budgetary comparison schedules are included as "required supplementary information" for the General Fund. These schedules demonstrate compliance with the St. Charles Parish Assessor's adopted and final revised budget. Also included as "required supplementary information" are the schedule of changes in total OPEB liability and related ratios, the schedule of the employer's proportionate share of the net pension liability, schedule of the employer's pension contributions, and the accompanying notes to the required supplementary information which are required additional information on the pension and OPEB plans. Required supplementary information can be found on pages 52-56 of this report.

### **FINANCIAL ANALYSIS OF THE ST. CHARLES PARISH ASSESSOR AS A WHOLE**

The St. Charles Parish Assessor recently implemented the new financial reporting model used in this report. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the St. Charles Parish Assessor as a whole.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Management's Discussion and Analysis

The St. Charles Parish Assessor's net position as of December 31, 2018 and 2017 was \$472,018 and \$2,076,929, respectively. The Assessor's net position decreased by \$1,604,911 from December 31, 2017 to December 31, 2018. This is a result of a decrease of \$1,844,877 due to adoption of GASB 75 and an increase of \$239,966 as a result of this year's operations. The restatement resulting from the adoption of GASB 75 contributed to a net restatement of \$1,844,877 to the December 31, 2017 unrestricted net position. The following table provides a condensed statement of the St. Charles Parish Assessor's net position:

Condensed Statement of Net Position

	December 31, 2018 Governmental Activities	December 31, 2017 Governmental Activities
Assets:		
Current assets	\$ 4,231,993	\$ 4,100,669
Capital assets	<u>158,357</u>	<u>249,148</u>
Total assets	<u>4,390,350</u>	<u>4,349,817</u>
Deferred Outflows of Resources:		
Deferred outflows related to pensions	<u>817,777</u>	<u>572,608</u>
Liabilities:		
Current liabilities	14,917	43,808
Long-term liabilities	<u>3,516,724</u>	<u>2,533,438</u>
Total liabilities	<u>3,531,641</u>	<u>2,577,246</u>
Deferred Inflows of Resources:		
Deferred Inflows related to pensions & OPEB	<u>1,204,468</u>	<u>268,250</u>
Net position:		
Net investment in capital assets	158,357	249,148
Unrestricted	<u>313,661</u>	<u>1,827,781</u>
Total net position	\$ <u>472,018</u>	\$ <u>2,076,929</u>

GASB 75 was implemented in the year ended December 31, 2018. Prior year amounts were not restated to reflect the changes due to this implementation.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Management's Discussion and Analysis

The following table provides a statement of the St. Charles Parish Assessor's condensed statement of activities and changes in net position:

Condensed Statement of Activities and Changes in Net Position

	December 31, 2018 Governmental Activities	December 31, 2017 Governmental Activities
Revenue:		
Charges for Services	\$ 568	\$ 763
Ad Valorem Taxes & Other	2,225,179	2,013,938
Interest Income	44,243	29,759
State Revenue Sharing	<u>32,116</u>	<u>31,523</u>
Total revenues	<u>2,302,106</u>	<u>2,075,983</u>
Expenses:		
General Government	<u>2,062,140</u>	<u>2,310,169</u>
Total expenses	<u>2,062,140</u>	<u>2,310,169</u>
Change in net position	239,966	(234,186)
Net position -Beginning of year	2,076,929	2,311,115
Adjustment due to implementation of GASB 75	<u>(1,844,877)</u>	<u>-0-</u>
Net position – End of year	\$ <u>472,018</u>	\$ <u>2,076,929</u>

GASB 75 was implemented in the year ended December 31, 2018. Prior year amounts were not restated to reflect the changes due to this implementation.

**GOVERNMENTAL REVENUES**

The St. Charles Parish Assessor is reliant on revenue received from St. Charles Parish and the State of Louisiana to support its operations. The St. Charles Parish Assessor's financial position has enabled it to earn \$44,243 in interest to support governmental activities.

**GOVERNMENTAL FUNCTIONAL EXPENSES**

The total governmental function of the St. Charles Parish Assessor's office is to assess all real and moveable property in the parish subject to ad valorem taxation. Of the total costs, depreciation on the equipment was \$95,886.

## **ST. CHARLES PARISH ASSESSOR**

Hahnville, Louisiana

### **Management's Discussion and Analysis**

#### **FINANCIAL ANALYSIS OF THE ST. CHARLES PARISH ASSESSOR**

##### **Governmental Funds**

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds had an ending fund balance of \$4,160,666, all of which is unassigned indicating availability for continuing the St. Charles Parish Assessor's activities.

##### **CAPITAL ASSETS**

The St. Charles Parish Assessor's investment in capital assets, net of accumulated depreciation as of December 31, 2018, was \$158,357. See Note 6 of the notes to the financial statements for additional information about changes in capital assets during the current year.

#### **CONTACTING THE ST. CHARLES PARISH ASSESSOR'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the St. Charles Parish Assessor's finances, comply with finance-related laws and regulations, and demonstrate the St. Charles Parish Assessor's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact Tab T. Troxler, St. Charles Parish Assessor, P. O. Box 303, Hahnville, Louisiana 70057. Phone (985) 783-6281.

## GOVERNMENT – WIDE FINANCIAL STATEMENTS

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Statement of Net Position  
Year Ended December 31, 2018

	<u>Governmental Activities</u>
<b>Assets</b>	
Current Assets	
Cash	\$ 187,505
Investments	2,032,268
Receivables	
Ad valorem taxes, net	1,990,691
State revenue sharing	21,104
Interest	425
Total current assets	<u>4,231,993</u>
Noncurrent Assets	
Capital assets, net of depreciation	<u>158,357</u>
Total noncurrent assets	<u>158,357</u>
Deferred Outflows of Resources	
Deferred outflows related to pensions	<u>817,777</u>
<b>Liabilities</b>	
Current Liabilities	
Accounts payable	7,725
Payroll liabilities and related payables	<u>7,192</u>
Total current liabilities	<u>14,917</u>
Noncurrent Liabilities	
Net OPEB obligations	3,088,006
Net Pension Liability	<u>428,718</u>
Total noncurrent liabilities	<u>3,516,724</u>
Deferred Inflows of Resources	
Deferred inflows related to pensions & OPEB	<u>1,204,468</u>
<b>Net Position</b>	
Net investment in capital assets	158,357
Unrestricted	<u>313,661</u>
Total net position	<u>\$ 472,018</u>

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

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Statement of Activities  
Year Ended December 31, 2018

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>Functions and Programs</b>				
Governmental Activities				
General Government	\$ <u>2,062,140</u>	\$ <u>    568</u>	\$ <u>  32,116</u>	\$ <u>(2,029,456)</u>
<u>Total governmental activities</u>	<u>2,062,140</u>	<u>    568</u>	<u>  32,116</u>	<u>(2,029,456)</u>
	General Revenues			
	Ad Valorem Taxes			2,225,179
	Interest Income			<u>  44,243</u>
	Total general revenues			<u>2,269,422</u>
	Change in net position			239,966
	Net position – beginning of year			2,076,929
	Change in accounting principle			<u>(1,844,877)</u>
	Net position – end of year			\$ <u>  472,018</u>

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

## FUND FINANCIAL STATEMENTS

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Balance Sheet  
Governmental Fund  
December 31, 2018

	<u>General Fund</u>
<b>Assets</b>	
Current Assets	
Cash	\$ 187,505
Investments	2,032,268
Receivables	
Ad valorem taxes, net	1,990,691
State revenue sharing	21,104
Interest	<u>425</u>
<u>Total assets</u>	<u>\$ 4,231,993</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	
Liabilities	
Accounts payable	\$ 7,725
Payroll liabilities and related payables	<u>7,192</u>
<u>Total liabilities</u>	<u>14,917</u>
Deferred Inflows of Resources	
Ad valorem tax	35,306
State revenue sharing	<u>21,104</u>
<u>Total deferred inflows of resources</u>	<u>56,410</u>
Fund Balance	
Unassigned, reported in general fund	<u>4,160,666</u>
<u>Total liabilities, deferred inflows of resources, and fund balance</u>	<u>\$ 4,231,993</u>

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

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Reconciliation of the Governmental Fund Balance Sheet to  
the Government – Wide Statement of Net Position  
December 31, 2018

Total fund balance of the governmental fund at December 31, 2018	\$4,160,666
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	158,357
The deferred outflows of expenditures for the pension is not a use of current resources and, therefore, is not reported in the fund.	817,777
The long-term liability for the net pension liability is not due and payable in the current period and, therefore, not reported in the fund.	(428,718)
Ad valorem taxes and state revenue sharing revenues will be collected after year end, but they are not available soon enough to pay for the current period expenditures; therefore, they are reported as deferred inflows of resources in the fund.	56,410
The long-term liability for the OPEB liability is not due and payable in the current period and, therefore, not reported in the fund.	(3,088,006)
The deferred inflows of contributions for the pension and OPEB plan are not available resources and, therefore, are not reported in the fund.	<u>(1,204,468)</u>
<u>Net position of governmental activities at December 31, 2018</u>	\$ <u>472,018</u>

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

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

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

**REVENUES**

Ad valorem tax	\$ 2,020,438
State revenue sharing	32,116
Sale & preparation of tax roll	568
Interest Income	<u>44,243</u>
<b>TOTAL REVENUES</b>	<u><b>2,097,365</b></u>

**EXPENDITURES**

Salaries	979,775
Payroll taxes & expenses	16,996
Disability insurance	480
Employer's contribution to group insurance	398,204
Employer's contribution to retirement	153,962
Deferred Compensation	98,441
Automobile expenditures	4,247
Contracted services	128,371
Dues and subscriptions	9,972
Equipment maintenance	27,473
Office expenditures	77,317
Other insurance	7,703
Telephone	9,750
Travel and training	23,615
Capital outlay	7,069
Other expenditures	<u>3,378</u>
<b>TOTAL EXPENDITURES</b>	<u><b>1,946,753</b></u>

EXCESS OF REVENUES OVER EXPENDITURES	150,612
FUND BALANCE – BEGINNING OF YEAR	<u>4,010,054</u>
FUND BALANCE – END OF YEAR	<u><b>\$ 4,160,666</b></u>

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

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balance to the Government – Wide Statement of Activities  
Year Ended December 31, 2018

Total net change in fund balance at December 31, 2018 per  
Statement of Revenues, Expenditures, and Changes in  
Fund Balance of the Governmental Fund \$ 150,612

Amounts reported for governmental activities in the  
Government – Wide Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.  
However, in the Government – Wide Statement of Activities,  
the cost of those assets is allocated over their estimated useful  
lives as depreciation expense. This is the amount by which  
depreciation exceeded capital outlay and equipment retired,  
in the current period. (90,791)

Ad valorem taxes and state revenue sharing revenue in the statement  
of activities that do not provide current resources are not reported as  
revenue in the fund. 204,741

Generally, expenditures recognized in the fund financial statements  
are limited to only those that use current financial resources but,  
expenses and liabilities are reported in the government – wide  
statement of activities when they are incurred.

Accrued post-employment benefits	(37,965)
Pension adjustment due to GASB 68	(142,286)
OPEB adjustment due to GASB 75	<u>155,655</u>

Total change in net position of governmental activities \$ 239,966

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

## ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

### Notes to Basic Financial Statements

#### Introduction

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

The St. Charles Parish Assessor's office is located in the St. Charles Parish Courthouse in Hahnville, Louisiana. The St. Charles Parish Assessor employs 14 employees, which include the Assessor and 13 deputies. In accordance with Louisiana law, the St. Charles Parish Assessor bases real and movable property assessments on conditions existing on January 1 of the year. The St. Charles Parish Assessor completes an assessment listing by May 1 and submits the list to the parish governing authority and the Louisiana Tax Commission, as prescribed by law. Once the assessment listing is approved, the St. Charles Parish Assessor submits the assessment roll to the parish tax collector, who is responsible for the collection and distribution of taxes to the various taxing bodies.

At December 31, 2018, there were 22,938 real property and movable property assessments totaling \$383,679,801 and \$2,154,748,920, respectively. Total exemption was \$1,113,407,145 and total taxable was \$1,425,021,070. This represents an increase in assessed value of \$158,033,951 and an increase in taxable assessments of \$156,995,458.

#### 1) Summary of Significant Accounting Policies

##### A.) Reporting Entity

For financial reporting purposes, the St. Charles Parish Assessor is considered its own separate financial reporting entity. All funds, activities, etc. controlled by the fund as an independently established entity are included as a part of this financial reporting body. There are no other component units. The St. Charles Parish Assessor is solely responsible for the operations of the fund with authority and responsibility for all operations, deficits, and the receipt and disbursement of monies. Accordingly, other units of the local government such as the Parish Council are considered separate reporting entities and issue financial statements separate from those of the St. Charles Parish Assessor.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

B.) Basis of Presentation

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

The accompanying basic financial statements have also been prepared in conformity with the following GASB Statements:

Statement No. 63, *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.”* The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

Statement No. 65, *“Items previously reported as Assets and Liabilities.”* The statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.

Statement No. 67, *“Financial Reporting for Pension Plans.”* The statement requires the disclosure of the collective net pension liability for all participating employers of the Louisiana Assessors’ Retirement Fund.

Statement No. 68, *“Accounting and Financial Reporting for Pensions.”* The statement addresses accounting and financial reporting for pensions that are provided to the employees of the St. Charles Parish Assessor through pension plans that are administered through trusts or equivalent arrangements that meet the criteria established by this standard.

Statement No. 72, *“Fair Value Measurement and Application.”* This statement addresses accounting and financial reporting issues related to fair value measurements. GASB 72 generally requires investments to be measured at fair value. Investments are defined as securities or other assets that (a) a government holds primarily for the purpose of income and profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques; and these disclosures are to be organized by type of asset or liability reported at fair value.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

B.) Basis of Presentation – continued

Statement No. 75, *“Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.”* The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This statement replaces the requirements of GASB Statement No. 45. Statement No. 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

Statement No. 76, *“The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.”* The objective of this Statement is to identify the hierarchy of generally accepted accounting principles, in the context of the current governmental financial reporting environment. The requirements of this Statement will raise the category of GASB Implementation Guides in the GAAP hierarchy, emphasize the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP, and require the consideration of consistency with GASB Concepts Statements when evaluating accounting treatments specified in non-authoritative literature.

Statement No. 77, *“Tax Abatement Disclosures.”* This statement requires governments to disclose in the notes to their financial statements certain information related to tax abatement agreements. As defined in this standard, a tax abatement results from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

Deferred Inflows/Outflows of Resources

The St. Charles Parish Assessor reports deferred inflows/outflows of resources when potential revenue or expenditures do not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received by the St. Charles Parish Assessor before it has a legal claim to them as when tax revenues are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue/expenditure recognition criteria are met, or when the St. Charles Parish Assessor has a legal claim to the resources, deferred inflows/outflows of resources are removed and revenues/expenditures are recognized.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

B.) Basis of Presentation – continued

Government-Wide Financial Statements (GWFS)

The St. Charles Parish Assessor's basic financial statements include both government-wide (reporting the St. Charles Parish Assessor as a whole) and fund financial statements (reporting the St. Charles Parish Assessor's major fund). All of the St. Charles Parish Assessor's administrative services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The St. Charles Parish Assessor's net position is reported in two parts – net investment in capital assets and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the St. Charles Parish Assessor's functions and activities (assessment of real and movable property in the parish subject to ad valorem taxation). These functions are also supported by general government revenues (interest earned). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating expenses. Program revenues must be directly associated with the function (assessment of real and movable property in the parish subject to ad valorem taxation).

The net costs (by function) are normally covered by general revenue (interest earned, etc). This government-wide focus is more on the sustainability of the St. Charles Parish Assessor as an entity and the change in the St. Charles Parish Assessor's net position resulting from the current year's activities.

Fund Financial Statements (FFS)

The St. Charles Parish Assessor uses funds to maintain it's financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The St. Charles Parish Assessor's fund encompasses only Governmental Funds, which are described below.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

B.) Basis of Presentation – continued

Governmental

General Fund – The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the St. Charles Parish Assessor and is used to account for the operations of the St. Charles Parish Assessor's office. The various fees and charges due to the St. Charles Parish 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 refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Government Wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental Fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The St. Charles Parish Assessor considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. The governmental funds use the following practices in recording revenues and expenditures:

Ad valorem taxes are assessed for the calendar year, become due on November 15 of each year, and become delinquent on December 31. The tax collector generally collects the taxes in December of the current year and January and February of the ensuing year. Ad valorem tax revenue also includes prior year taxes received that were previously written off. Prior year net receivables written off are deducted from ad valorem tax revenue.

State revenue sharing is recorded, net of deferred revenue, for the current year's tax roll. Deferred inflows of resources are recorded for the amount of the funds that are expected to be collected after the end of the year, but are not expected to be collected in time to pay current liabilities.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

C.) Measurement Focus/Basis of Accounting – continued

All other revenues are recorded when measurable and available.

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

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

Fund Balance

The St. Charles Parish Assessor's basic financial statements have been prepared in conformity with GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- a. 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.
- b. 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.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the St. Charles Parish Assessor.
- d. 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.
- e. Unassigned – all other spendable amounts.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

C.) Measurement Focus/Basis of Accounting – continued

Fund Balance – continued

The St. Charles Parish Assessor applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The St. Charles Parish Assessor does not have a formal minimum fund balance policy.

Net Position

Net position comprises the various net earnings from revenues and expenses. Net position is classified in the following components:

- a. Invested in capital assets, net of related debt – 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.
- b. Restricted net position – Consists of assets less liabilities and deferred inflows of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

D.) Budgets

The St. Charles Parish Assessor's budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). The proposed budget for 2018 was published in the official journal and made available for public inspection. The public hearing for the proposed budget was held December 6, 2017, and the budget was adopted on that date. Unexpended appropriations lapse at year end. Formal budget integration was employed as a management control device during the year the budget was amended. The amended budget was published in the official journal and made available for public inspection. The amended budget was adopted at a public hearing on December 13, 2018.

The St. Charles Parish Assessor reserves all authority to make changes to the budget. When actual revenues fail to meet budgeted revenues by five percent or more and/or actual expenditures exceed budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the St. Charles Parish Assessor. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E.) Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under state law, the St. Charles Parish Assessor may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits in state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

F.) Investments

Under state law, the St. Charles Parish Assessor may invest in United States bonds, treasury notes, certificates, treasury bills, any other federally insured investment, or the Louisiana Asset Management Pool, Inc. (LAMP).

Investments with maturities greater than 90 days when purchased are classified as investments. Investments are stated at fair value as established by the open market.

Securities traded in a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. Realized gains and losses on investments recorded at fair value are included in investment income.

Investment policies are governed by state statutes.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

G.) Vacation and Sick Leave

Employees of the St. Charles Parish Assessor's office earn from 0 to 25 days of vacation leave each year, depending on their length of service. Unused vacation leave may not be accumulated. Employees earn from 5 to 20 days of sick leave each year, depending on their length of service. A maximum of 50 days of sick leave may be accumulated. Upon retirement or death, unused accumulated sick leave is paid to the employee or to the employee's estate at the employee's current rate of pay, up to a maximum of fifty days.

In accordance with GASB Statement No. 16, the cost of sick leave is accrued only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies such as medical appointments and funerals. There are no cost of leave privileges required to be reported on the financial statements.

H.) Compensated Absences

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or their heirs) are paid for accrued sick leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group. Because employees are not allowed to carryover vacation leave to future years, there is no long-term liability for compensated absences.

I.) Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The St. Charles Parish Assessor maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

I.) Capital Assets – continued

Furniture	5 years
Computer equipment	5 years
Office equipment	5 years
Telephone equipment	10 years
Vehicles	5 years

J.) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

K. New GASB Statement

During the year ended December 31, 2018, the St. Charles Parish Assessor adopted Government Accounting Standards Board (GASB) Statement No. 75 – “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” (GASB 75) which replaces GASB 45.

2) Cash and Cash Equivalents

At December 31, 2018, the St. Charles Parish Assessor’s cash and cash equivalents (book balance) totaled \$187,505 and zero, respectively, as follows:

<u>Cash &amp; Cash Equivalents</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturity</u>
Cash:			
First National Bank			
Checking	\$ 119,093	\$ 119,093	Demand
Whitney Investments			
Money Market	<u>68,412</u>	<u>68,412</u>	Demand
Total Cash	\$ <u>187,505</u>	\$ <u>187,505</u>	
Cash equivalents:			
None	\$ <u>-0-</u>	\$ <u>-0-</u>	
Total Cash Equivalents	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

2) Cash and Cash Equivalents – continued

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 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.

At year-end, the carrying amount of the St. Charles Parish Assessor's checking and money market accounts (book balances) was \$187,505. This amount is fully secured from risk by FDIC insurance.

3) Investments

The St. Charles Parish Assessor can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. The St. Charles Parish Assessor's investments are categorized to give an indication of the level of risk assumed by the St. Charles Parish Assessor at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the St. Charles Parish Assessor or his agent in the St. Charles Parish Assessor's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the St. Charles Parish Assessor's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the St. Charles Parish Assessor's name.

In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by the GASB Codification Section 150.164 because the investment is in a pool of funds and, thereby, not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc.; a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

3) Investments - continued

The LAMP and the U. S. Government Agency Bond portfolios include only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, these investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For the purpose of determining participants' shares, investments are valued at amortized cost. GASB Statement No. 31 requires that investments, that fall within the definitions of said statement, be recorded at fair value. However, Statement No. 31 also states that investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security and Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7.

In accordance with R.S. 33:2955, the St. Charles Parish Assessor also invests a significant portion of it's investments in United States Treasury Federated Government Obligations and Federal Home Loan Bank and Mortgage type of investments. Since these investments are directly invested in U. S. backed government instruments, separate collateralization is not a requirement.

As of December 31, 2018, the St. Charles Parish Assessor had the following investments:

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>
Louisiana Asset Management Pool (LAMP)	\$ 229,906	\$ 229,906
U.S. Government Agency Bonds (Category 2)	<u>1,802,362</u>	<u>1,787,781</u>
Total	<u>\$ 2,032,268</u>	<u>\$ 2,017,687</u>

4) Receivables

Ad valorem taxes receivable of \$2,008,880 is recorded net of an allowance for estimated uncollectibles of \$18,189. The allowance for estimated uncollectibles is determined by calculating the prior year assessment less the actual amount received from prior year tax roll, adding any prior year taxes collected which were previously written off.

Other receivables consist of state revenue sharing receivable of \$21,104 and interest receivable of \$425.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

5) Levied Taxes

The following is a summary of authorized and levied property taxes:

	<u>Authorized Milage</u>	<u>Levied Milage</u>
2017 Tax Roll	1.41	1.41
2018 Tax Roll	1.41	1.41

The following are the principal taxpayers for the parish and their assessed valuation:

	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Entergy Louisiana, Inc.	\$ 218,432,370	8.61%
Union Carbide Corporation	165,571,902	6.52%
Equilon Enterprises, LLC	149,465,607	5.89%
Shell Chemical Company	92,516,308	3.64%
Monsanto Company	67,609,832	2.66%
Occidental Chemical Corp	47,771,204	1.88%
International Matex Tan	43,607,503	1.72%
Valero Refining – New Orleans	38,138,618	1.50%
Valero Marketing & Supply	36,521,886	1.44%
Entergy Louisiana, Inc.	<u>36,372,080</u>	<u>1.43%</u>
	<u>\$ 896,007,310</u>	<u>35.29%</u>

6) Capital Assets

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

	<u>12/31/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2018</u>
Computer equipment	\$ 428,193	\$ 1,002	\$ 11,850	\$ 417,345
Furniture	71,522	-0-	-0-	71,522
Office equipment	105,996	6,067	7,892	104,171
Vehicles	<u>79,016</u>	<u>-0-</u>	<u>-0-</u>	<u>79,016</u>
Total	<u>684,727</u>	<u>7,069</u>	<u>19,742</u>	<u>672,054</u>
Less accumulated depreciation:				
Computer equipment	(264,849)	(70,749)	(10,665)	(324,933)
Furniture	(39,871)	(9,172)	-0-	(49,043)
Office equipment	(85,652)	(7,124)	(7,103)	(85,673)
Vehicles	<u>(45,207)</u>	<u>(8,841)</u>	<u>-0-</u>	<u>(54,048)</u>
Total	<u>(435,579)</u>	<u>(95,886)</u>	<u>(17,768)</u>	<u>(513,697)</u>
Capital assets, net	<u>\$ 249,148</u>	<u>\$ (88,817)</u>	<u>\$ 1,974</u>	<u>\$ 158,357</u>

Depreciation expense for the year is \$95,886.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

7) Accounts Payable

Accounts payable represent expenses incurred during the current period but not paid until the subsequent period.

8) Expenditures of the Assessor Paid by the Parish Government

Certain operating expenditures of the St. Charles Parish Assessor's office are paid by the parish council as required by Louisiana Revised Statute 33:4713. The St. Charles Parish Assessor's office is located in the St. Charles Parish Courthouse. The St. Charles Parish Council pays the upkeep, maintenance, and insurance for the courthouse. These expenditures are not reflected in the accompanying financial statements.

9) Deferred Compensation Plan

Certain employees of the St. Charles Parish Assessor's office participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue code (IRC) Section 457. 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) Pension Plan

***Plan Description***

The St. Charles Parish Assessor contributes to the Louisiana Assessors' Retirement Fund, a cost-sharing, multiple employer, qualified governmental defined benefit pension plan administered by a separate board of trustees. Provisions of the plan are set forth in the Louisiana Revised Statutes 11:1401 through 1494 to provide retirement, disability, and survivor benefits for the assessors and their permanent, full-time employees. The plan is a qualified plan as defined by the Internal Revenue Code Section 401(a), effective January 1, 1998. Membership in the Louisiana Assessors' Retirement Fund is a condition of employment for Assessors and their full time employees.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

***Plan Description – continued***

**Summary of Significant Accounting Policies**

The Fund prepares its employer schedules in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, “*Accounting and Financial Reporting for Pensions*” (an amendment of GASB Statement No. 27).

a. Basis of Accounting

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

b. Principles of Consolidation

The employer schedules include the accounts of Louisiana Assessors’ Retirement Fund and its wholly-owned subsidiary, Louisiana Assessors’ Retirement Fund Excess Benefit Account.

c. Use of Estimates

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

A. 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.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

***Plan Description – continued***

A. Pension Benefits - continued

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 and 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. If the member dies before he has received in annuity payments the present value of the member's annuity, as it was at the time of retirement, the balance is paid to his beneficiary.
2. Upon retirement, the member receives a reduced benefit. Upon the member's death, the surviving spouse will continue to receive the same reduced benefit.
3. Upon retirement, the member receives a reduced benefit. Upon member's death, the surviving spouse will receive one-half of the member's reduced benefit.
4. Upon retirement, the member may elect to receive a board-approved benefit that is actuarially equivalent to the maximum benefit.

B. Death Benefits

As set forth in R.S. 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.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

***Plan Description – continued***

B. Death Benefits - continued

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.

C. Disability Benefits

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

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

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

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

***Plan Description – continued***

D. 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.

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. 11:1456.2.

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

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

1. Creditable service shall not include service credit reciprocally recognized pursuant to R.S. 11:142.
2. Accrued service at retirement shall be reduced by the Back-DROP.
3. Final average compensation shall be calculated by excluding all earnings during the Back-DROP period.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

***Plan Description – continued***

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

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 or beneficiary shall be permitted after the option is filed with the Board of Trustees.

In addition to the monthly benefit received, the member shall be paid a lump-sum benefit equal to the Back-DROP maximum monthly retirement benefit multiplied by the number of months selected as the Back-DROP period. Cost-of-living adjustments shall not be payable on the member's Back-DROP lump sum.

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

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

***Plan Description – continued***

E. 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 December 31, 2018 and 2017, respectively. The actual employer contribution rate was 8.00% and 10.00% of members' earnings for the years ended December 31, 2018 and 2017, respectively.

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

Effective January 1, 2000, the St Charles Parish Assessor elected to also pay the employee portion of the retirement contribution. The St. Charles Parish Assessor's contributions to the System for the year ended December 31, 2018 were \$153,962 consisting of the employee portion of \$76,981 and the employer's portion of \$76,981. The St. Charles Parish Assessor's total contributions to the System for the years ending December 31, 2018, 2017, 2016, and 2015 were \$153,962, \$169,863, \$192,898, and \$195,132, respectively, equal to the required contributions for each year.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

**Schedule of Employer Allocations**

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

In the Louisiana Assessors' Retirement Fund's report, the allocation method used in determining each employer's proportion was based on the employer's contribution effort to the plan for the current year as compared to the total of all employers' contribution effort to the plan for the current year. The employers' contribution effort was based on actual employer contributions made to the Fund for the year ended December 31, 2018.

**Schedule of Pension Amounts by Employer**

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

**Actuarial Methods and Assumptions**

*Net Pension Liability*

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

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

Total pension liability	\$ 427,882,294
Plan fiduciary net position	<u>408,441,921</u>
Net pension liability	<u>\$ 19,440,373</u>
Plan fiduciary net position as a percentage of total pension liability	<u>95.46%</u>

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

**Actuarial Methods and Assumptions - continued**

*Actuarial methods and Assumptions*

The current year actuarial assumptions utilized for the Louisiana Assessors' Retirement Fund's report are based on the assumptions used in the December 31, 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 the Louisiana Assessors' Retirement Fund's 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.

Additional information on the actuarial methods and assumptions used in the Louisiana Assessors' Retirement Fund's report as of December 31, 2018 actuarial valuation follows:

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 Table set back five years for males and three years for females.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

**Actuarial Methods and Assumptions - continued**

*Discount Rate*

In the Louisiana Assessors' Retirement Fund's report, 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 December 31, 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%
Alternate assets	6.24%

The long-term expected rate of return selected for the Louisiana Assessors' Retirement Fund's 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 the Louisiana Assessors' Retirement Fund's 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%.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

**Actuarial Methods and Assumptions – continued**

*Discount Rate - continued*

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**

In the Louisiana Assessors' Retirement Fund's report, 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):

	<b>1% Decrease <u>(5.25%)</u></b>	<b>Current Discount Rate <u>(6.25%)</u></b>	<b>1% Increase <u>(7.25%)</u></b>
Net pension liability	<u>\$65,386,240</u>	<u>\$19,440,373</u>	<u>\$(19,922,053)</u>

**Change in Net Pension Liability**

In the Louisiana Assessors' Retirement Fund's report, the changes in the net pension liability for the year ended December 31, 2018 were recognized in the current reporting period as pension expense except as follows:

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

**Change in Net Pension Liability – continued**

*Differences between Expected and Actual Experience*

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

	December 31, 2018				
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Pension Expense (Benefit)</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
2018	\$ -0-	\$ 6,147,609	\$(1,024,602)	\$ -0-	\$ 5,123,007
2017	-0-	3,000,571	(600,115)	-0-	2,400,456
2016	1,955,829	-0-	488,960	1,466,869	-0-
2015	-0-	736,483	(245,493)	-0-	490,990
2014	-0-	1,772,070	(886,035)	-0-	886,035
	<u>\$ 1,955,829</u>	<u>\$11,656,733</u>	<u>\$ (2,267,285)</u>	<u>\$ 1,466,869</u>	<u>\$ 8,900,488</u>

*Differences between Projected and Actual Investment Earnings*

In the Louisiana Assessors' Retirement Fund's report, differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

	December 31, 2018					
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Pension Expense (Benefit)</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net Deferred Inflows</u>
2018	\$ -0-	\$ 3,662,801	\$ (732,560)	\$ -0-	\$ 2,930,241	\$ (2,930,241)
2017	-0-	13,827,029	(3,456,755)	-0-	10,370,274	(10,370,274)
2016	-0-	3,375,571	(1,125,188)	-0-	2,250,383	(2,250,383)
2015	11,306,193	-0-	5,653,096	5,653,097	-0-	5,653,097
2014	-0-	893,727	(893,727)	-0-	-0-	-0-
	<u>\$ 11,306,193</u>	<u>\$ 21,759,128</u>	<u>\$ (555,134)</u>	<u>\$ 5,653,097</u>	<u>\$15,550,898</u>	<u>\$ (9,897,801)</u>

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

**Change in Net Pension Liability – continued**

*Changes of Assumptions or Other Inputs*

In the Louisiana Assessors' Retirement Fund's report, changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

	December 31, 2018				
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Pension Expense (Benefit)</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
2018	\$ 20,434,309	\$ -0-	\$ 3,405,717	\$ 17,028,592	\$ -0-
2017	7,927,782	-0-	1,585,557	6,342,225	-0-
2016	-0-	-0-	-0-	-0-	-0-
2015	311,507	-0-	103,836	207,671	-0-
2014	<u>2,735,385</u>	<u>-0-</u>	<u>1,367,693</u>	<u>1,367,692</u>	<u>-0-</u>
	<u>\$ 31,408,983</u>	<u>\$ -0-</u>	<u>\$ 6,462,803</u>	<u>\$ 24,946,180</u>	<u>\$ -0-</u>

*Changes in Proportion*

In the Louisiana Assessors' Retirement Fund's report, 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. The unauthorized amounts arising from changes in the employers' proportionate shares are presented in the Louisiana Assessors' Retirement Fund's report in the schedule of pension amounts by employer as deferred outflows or deferred inflows as of December 31, 2018.

**Contributions – Proportionate Share**

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

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

**Contributions – Proportionate Share - continued**

At December 31, 2018, the St. Charles Parish Assessor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 32,349	\$ 414,558
Difference between actual and proportionate share of contributions	133,661	-0-
Amortization of deferred outflows	(77,060)	-0-
Changes of assumptions	550,138	-0-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	24,727	-0-
Net differences between projected and actual earnings on plan investments	-0-	-0-
Contributions subsequent to the measurement date	<u>153,962</u>	<u>-0-</u>
Total	<u>\$ 817,777</u>	<u>\$ 414,558</u>
Proportionate Share of Employer Contributions	<u>\$ 78,226</u>	
Proportionate Share of Non-Employer Contributions	<u>\$ 297,859</u>	

Schedule of Remaining Amortization

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
<u>\$ 110,131</u>	<u>\$ (27,478)</u>	<u>\$ (3,405)</u>	<u>\$ 60,213</u>	<u>\$ 53,195</u>	<u>\$ 192,656</u>

**Estimates**

The process of preparing the schedule of employer allocations and schedule of pension amounts in the Louisiana Assessors' Retirement Fund report in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenue, and expenses. Accordingly, actual results may differ from estimated amounts.

**Retirement Fund Audit Report**

The Fund has issued a stand-alone audit report on its financial statements for the year ended September 30, 2018. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.la.gov](http://www.la.la.gov), or by contacting the Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

**Subsequent Events**

In the Louisiana Assessors' Retirement Fund's report, the Fund evaluated all subsequent events through April 1, 2019, the date the employer schedules were available to be issued. As a result, management noted no subsequent events that required adjustment to, or disclosure in, these employer schedules.

11) Postemployment Benefits Other Than Pensions

The St. Charles Parish Assessor provides certain continuing health care and life insurance benefits for its retired employees and their spouses. Substantially all of the St. Charles Parish Assessor's employees become eligible for these benefits if they reach normal retirement age while working for the St. Charles Parish Assessor. These benefits for retirees and similar benefits for active employees are provided through the Louisiana Assessor's Association Insurance Fund, whose monthly premiums are paid by the St. Charles Parish Assessor. There are 11 retirees (including spouses) and 14 active employees participating in the insurance program during this year.

**Plan Description**

The St. Charles Parish Assessor contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare and life insurance for eligible retirees through the Louisiana Assessors' Insurance Fund group health insurance plan. Benefit provisions are established in accordance with LRS 47:1923. The Retiree Health Plan does not issue a publicly available financial report.

All employees are eligible to elect medical coverage upon retiring at:  
Age 55 with at least 20 years of service, or;  
Any age with at least 30 years of service.

Coverage is provided to spouses of retirees who are currently receiving benefits. If the retiree predeceases the spouse, coverage for the surviving spouse continues.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

11) Postemployment Benefits Other Than Pensions – continued

**Plan Description - continued**

The St. Charles Parish Assessor's basic financial statements have been prepared in conformity with Government Accounting Standards Board Statement Number 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (GASB 75). This statement replaces GASB Number 45.

**Funding Policy**

The St. Charles Parish Assessor contributes 100% of the cost of current year premiums for eligible retired employees and their spouses. The St. Charles Parish Assessor recognizes the cost of providing these benefits (the St. Charles Parish Assessor's portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis. For the year ended December 31, 2018, the St. Charles Parish Assessor contributed \$155,655 to the plan.

**Total OPEB Liability**

The Assessor's total OPEB liability \$3,088,006 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	2.30%
Salary increases	3.00%, 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 rate	Starts off at 4.00%, Non-Medicare Retirees and 4.70%, Medicare Retirees and reflects the ACA Excise Tax effective 2022.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

11) Postemployment Benefits Other Than Pensions – continued

**Total OPEB Liability – continued**

Mortality rates for healthy retirement were based on sex-distinct RP-2014 Total Data Set Mortality with separate employee, healthy annuitant rates, projected generationally using scale MP-2018; and for disability retirement were based on sex-distinct RP-2014 Total Data Set Mortality with separate employee, disabled annuitant rates, projected generationally using scale MP-2018.

The actuarial assumptions used in the December 31, 2018 valuation, with the exception of those set by law, were set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and the professional judgement of the actuary.

**Changes in the Total OPEB Liability**

Balance at December 31, 2017 (as restated)	\$ 3,995,606
Changes for the year:	
Service cost	97,302
Interest	138,141
Effect of economic/demographic gains or losses	(127,388)
Changes in assumptions	(860,000)
Benefit payments and net transfers	<u>(155,655)</u>
Net changes	<u>(907,600)</u>
Balance at December 31, 2018	<u>\$ 3,088,006</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%) or 1-percentage-point higher (5.10%) than the current discount rate:

	<b>1.0% Decrease <u>(3.10%)</u></b>	<b>Current Discount Rate <u>(4.10%)</u></b>	<b>1.0% Increase <u>(5.10%)</u></b>
Total OPEB liability	<u>\$ 3,649,160</u>	<u>\$ 3,088,006</u>	<u>\$ 2,649,219</u>

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

11) Postemployment Benefits Other Than Pensions – continued

**Changes in the Total OPEB Liability – continued**

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

	<u>1.0% Decrease</u>	<u>Current Trend</u>	<u>1.0% Increase</u>
Total OPEB liability	\$ <u>2,693,879</u>	\$ <u>3,088,006</u>	\$ <u>3,592,706</u>

**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 \$37,965. 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>
Effect of economic/demographic gains or losses	\$ -0-	\$ (101,910)
Changes in assumptions	-0-	(688,000)
Total	\$ <u>-0-</u>	\$ <u>(789,910)</u>

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

Years ending December 31:

2019	(197,478)
2020	(197,478)
2021	(197,478)
2022	(197,478)
2023	-0-
Thereafter	-0-

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

12) Leases

The St. Charles Parish Assessor did not have any capital or operating lease commitments as of and for the year ended December 31, 2018.

13) Risk Management

The St. Charles Parish Assessor is exposed to various risks of loss related to torts; theft to, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. The St. Charles Parish Assessor has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the insurance coverage for the past three years.

14) Litigations and Claims

At December 31, 2018, the St. Charles Parish Assessor's office was not involved in any claims or litigation which would be required to be disclosed in these financial statements.

15) Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements to determine the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 19, 2019 which is the date the financial statements were available to be issued. No events occurring after this date have been evaluated for inclusion in these financial statements.

16) Effects of GASB 77

GASB Statement No. 77, *Tax Abatement Disclosures*, requires governments to disclose in the notes to their financial statements certain information related to tax abatement agreements. Tax abatements are used by state and local governments to encourage economic development, and are defined as an agreement between a government and another entity in which the government agrees to forgo tax revenues, and the entity agrees to subsequently take a specific action that contributes to the economic development or otherwise benefits the government or its citizens. GASB 77 requires disclosure of the tax abatement information that reduce the reporting government's tax revenues. As explained below, the Assessor's Tax Abatements fall under three different categories: State Industrial Abatements, Parish Council Abatements, and Parish Industrial Development Board Abatements.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

16) Effects of GASB 77 - continued

**STATE INDUSTRIAL ABATEMENTS**

State Industrial Abatements affect the manufacturing industry in St. Charles Parish, and are a constitutional exemption granted by the Louisiana Board of Commerce & Industry. The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) exempts up to ten years of Ad Valorem Taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. The following is a listing of the State issued Industrial Abatements in St. Charles Parish as of December 31, 2018:

	<b>Total 2018 Tax Abatement</b>
Air Products & Chemicals	\$ 5,577,095
Arkema Inc.	396,330
Barriere Construction	50,801
Air Liquide Large Industries	144,197
Beard of Louisiana	19,018
Bunge	2,946,166
GE Oil and Gas Compression Systems, LLC	22,533
D&G Investments of St. Rose	76,365
Diamond Green Diesel, LLC	5,345,177
Entergy Louisiana	28,829,654
Galata Chemicals, LLC	156,262
Hexion Specialty Chemicals	877,235
MMP SCO, LLC	6,847
Monsanto Chemical Co	2,376,308
Equilon Enterprises, LLC d/b/a SOPUS	9,476,396
Occidental Chemical Corp	527,581
Shell Chemical Corp	2,356,127
Southern Precision	46,049
Union Carbide	7,548,627
Valero Refining	47,282,445
W.R. Grace & Co.	74,038
Enterprise Gas Processing, LLC	182,310
Praxair Inc	3,534,580
Rain CII Carbon	60,409
Equilon Enterprises LLC	269,995
	<u>\$ 118,182,545</u>

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

16) Effects of GASB 77 - continued

**PARISH COUNCIL ABATEMENTS**

Parish Council Abatements are granted by the St. Charles Parish Council to act as incentives for economic development projects within the Parish. They are designated to attract investment, development, and employment, and allow tax exemption for real estate development. The project called "Payment in Lieu of Taxes" (PILOT) is designed "to assist development and the community with additional jobs, sales tax revenue, and other benefits to equal or exceed the reduction in property tax payments." The following is a listing of the Parish Council Abatements as of December 31, 2018:

	<b>Total 2018 Tax Abatement</b>
Randa	<u>\$ 141,636</u>
	<u>\$ 141,636</u>

**PARISH INDUSTRIAL DEVELOPMENT BOARD ABATEMENTS**

The Industrial Development Board of the Parish of St. Charles, Louisiana, Inc. is a nonprofit corporation which was organized to encourage and assist in the development of new business or industries, and to rehabilitate and assist existing business and industries. The seven member board, under the authority of the St. Charles Parish Council, has authority to issue industrial revenue bonds, to assist in bringing economic growth to the Parish. The following is a listing of the Parish Industrial Development Board Abatements in St. Charles Parish as of December 31, 2018:

	<b>Total 2018 Tax Abatement</b>
Kongsberg Maritime	<u>\$ 239,774</u>
Bents RV	<u>10,614</u>
	<u>\$ 250,388</u>

17) Change in Accounting Principle

During the year ended December 31, 2018, the St. Charles Parish Assessor implemented GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." As a result of implementation, net position as of January 1, 2018 was adjusted as follows:

Net position at January 1, 2018	\$ 2,076,929
Adjustment due to implementation of GASB 75	<u>1,844,877</u>
Net position at January 1, 2018, as restated	<u>\$ 232,052</u>

REQUIRED SUPPLEMENTARY INFORMATION (Part II)

St. Charles Parish Assessor

Hahnville, Louisiana

Schedule of Revenues, Expenditures, and Changes in Fund  
Balance – Budget (GAAP Basis) and Actual  
Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenue:</b>				
Ad valorem tax	\$ 1,799,192	\$ 1,988,637	\$ 2,020,438	\$ (31,801)
State revenue sharing	31,956	33,777	32,116	1,661
Interest on investments	31,000	44,380	44,243	137
Sale & preparation of tax roll	1,000	311	512	(201)
Duplication fees	<u>-0-</u>	<u>-0-</u>	<u>56</u>	<u>(56)</u>
<b>Total general revenue</b>	<u>1,863,148</u>	<u>2,067,105</u>	<u>2,097,365</u>	<u>(30,260)</u>
<b>Expenditures</b>				
<b>General government – taxation:</b>				
Salaries	991,794	979,100	979,775	(675)
Office expenditures	75,000	68,644	77,317	(8,673)
Uniforms	4,000	-0-	1,306	(1,306)
Disability insurance	480	440	480	(40)
Dues & subscriptions	10,000	9,972	9,972	-0-
Equipment maintenance	30,000	27,255	27,473	(218)
Insurance	450	7,564	7,703	(139)
Telephone	10,000	9,749	9,750	(1)
Travel and conventions	25,000	23,615	23,615	-0-
Payroll taxes	17,100	16,931	16,996	(65)
Automobile expenditures	11,000	4,426	4,247	179
Employer's contribution to group insurance	358,644	398,343	398,204	139
Employer's contribution to retirement	158,687	148,263	153,962	(5,699)
Deferred compensation	90,000	98,619	98,441	178
Contracted services	133,000	127,120	128,371	(1,251)
Other expenditures	500	3,147	2,072	1,075
Capital outlay	<u>25,000</u>	<u>9,042</u>	<u>7,069</u>	<u>1,973</u>
<b>Total expenditures</b>	<u>1,940,655</u>	<u>1,932,230</u>	<u>1,946,753</u>	<u>(14,523)</u>
<b>Net change in fund balance</b>	<b>(77,507)</b>	<b>134,875</b>	<b>150,612</b>	<b>(15,737)</b>
<b>Fund balances:</b>				
Beginning of the year	<u>4,027,983</u>	<u>4,010,054</u>	<u>4,010,054</u>	<u>-0-</u>
End of the year	<u>\$ 3,950,476</u>	<u>\$ 4,144,929</u>	<u>\$ 4,160,666</u>	<u>\$ (15,737)</u>

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

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

Total OPEB Liability	
Service cost	\$ 97,302
Interest	138,141
Changes of benefit terms	-0-
Effect of economic/demographic gains or losses	(127,388)
Changes of assumptions	(860,000)
Benefit payments	<u>(155,655)</u>
Net change in total OPEB liability	(907,600)
Total OPEB liability – beginning	<u>3,995,606</u>
Total OPEB liability – ending	<u>\$3,088,006</u>
Covered payroll	<u>\$ 926,507</u>
Net OPEB liability as a percentage of covered payroll	<u>333.30%</u>

Notes to Schedule:

*Benefit Changes.* There were no changes of benefit terms for the year ended December 31, 2018.

*Changes of Assumptions.* The discount rate as of 12/31/17 was 3.44% and it changed to 4.10% as of 12/31/18.

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

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Schedule of the Employer's Proportionate Share  
Of the Net Pension Liability  
Year Ended December 31, 2018

Louisiana Assessors' Retirement Fund:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's Proportion of the Net Pension Liability (Assets)	<u>2.21%</u>	<u>2.18%</u>	<u>2.14%</u>	<u>2.11%</u>
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ <u>428,719</u>	\$ <u>382,709</u>	\$ <u>755,293</u>	\$ <u>1,101,696</u>
Employer's Covered-Employee Payroll	\$ <u>979,775</u>	\$ <u>972,827</u>	\$ <u>937,403</u>	\$ <u>907,591</u>
Employer's Proportionate Share of Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	<u>43.76%</u>	<u>39.34%</u>	<u>80.57%</u>	<u>121.39%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>95.46%</u>	<u>95.61%</u>	<u>90.68%</u>	<u>85.57%</u>

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

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

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Schedule of the Employer's Pension Contributions  
Year Ended December 31, 2018

Louisiana Assessors' Retirement Fund:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 77,765	\$ 95,752	\$ 125,805	\$ 119,419
Contributions in relation to contractually required contributions	<u>153,962</u>	<u>169,863</u>	<u>192,898</u>	<u>195,132</u>
Contribution deficiency (excess)	<u>\$ (76,197)</u>	<u>\$ (74,111)</u>	<u>\$ (67,093)</u>	<u>\$ (75,713)</u>
Employer's Covered Employee Payroll	<u>\$ 979,775</u>	<u>\$ 972,827</u>	<u>\$ 937,403</u>	<u>\$ 907,591</u>
Contributions as a % of Covered Employee Payroll	<u>15.71%</u>	<u>17.46%</u>	<u>20.58%</u>	<u>21.50%</u>

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

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

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes To The Required Supplementary Information  
For the Year Ended December 31, 2018

1. BUDGETARY BASIS OF ACCOUNTING

The General Fund budgetary comparison schedule has been presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

2. PENSION

Changes in Benefit Terms

There were no changes of benefit terms during any of the years presented.

Changes of Assumptions

The following are the assumptions for the fiscal years ended December 31, 2018 and 2017:

Reporting Date	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Valuation Date	<u>September 30, 2018</u>	<u>September 30, 2017</u>
Inflation Rate	2.20%	2.50%
Project Salary Increases	5.75%	5.75%
Discount Rate	6.25%	6.75%

OTHER SUPPLEMENTARY INFORMATION

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Schedule of Compensation, Benefits, and Other Payments to  
Agency Head or Chief Executive Officer  
Year Ended December 31, 2018

**Agency Head Name: Tab Troxler**

**Purpose**

Salary	\$ 158,746
Benefits – insurance	23,005
Benefits – retirement	25,400
Benefits – other (match deferred comp)	7,500
Car allowance	-0-
Vehicle provided by government	2,371
Per diem	-0-
Reimbursements – cell phones, tolls, car rental	-0-
Travel	-0-
Registration fees	1,620
Conference travel	2,109
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Meals	654
	<u>\$ 221,405</u>

# UZEE, BUTLER, ARCENEUX & BOWES

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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

Mr. Tab T. Troxler  
St. Charles Parish Assessor  
Hahnville, Louisiana

We have audited, 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, the financial statements of the governmental activities and the major fund of the St. Charles Parish Assessor as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise these basic financial statements, and have issued our report thereon dated June 19, 2019.

### Internal Control Over Financial Reporting

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements that is more than inconsequential 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 that might be material weaknesses or significant deficiencies. We did identify a deficiency in internal control that we consider to be a material weakness. This deficiency is described in the accompanying schedule of current and prior year audit findings and corrective action plan. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the St. Charles Parish Assessor'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*.

### **Response to Findings**

The St. Charles Parish Assessor's response to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and corrective action plan. The St. Charles Parish 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.

This report is intended solely for the information and use of management, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

  
Harvey, Louisiana  
June 19, 2019

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2018

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the St. Charles Parish Assessor.
2. A material weakness relating to the audit of the financial statements is reported in the 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. The material weakness results from a lack of adequate segregation of duties within the accounting department of the St. Charles Parish Assessor. Per Management, the cost-benefit and limited number of personnel in the accounting department do not allow for adequate segregation of duties. However, it is our recommendation that Management should closely monitor the day-to-day activities of the St. Charles Parish Assessor. The Management of the St. Charles Parish Assessor concurs with this finding.
3. No instances of noncompliance material to the financial statements of the St. Charles Parish Assessor are disclosed in Part B of this schedule.

B. FINDING – FINANCIAL STATEMENTS AUDIT

See next page.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
Year Ended December 31, 2018

<u>Ref No.</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
CURRENT YEAR (12/31/18)						
<u>Internal Control:</u>						
18-01	Unknown	The St. Charles Parish Assessor does not have adequate segregation of duties within the Accounting Department.	N/A	Because of the cost-benefit and limited number of personnel in the Accounting Department, it is not possible to achieve adequate segregation of duties. However, it is our recommendation that Management should closely monitor the day-to-day activities of the St. Charles Parish Assessor. The Management of the St. Charles Parish Assessor concurs with this finding.	Tab Troxler St. Charles Parish Assessor	N/A
PRIOR YEAR (12/31/17)						
<u>Internal Control:</u>						
17-01	Unknown	The St. Charles Parish Assessor does not have adequate segregation of duties within the Accounting Department.	N/A	Same as above.	Tab Troxler St. Charles Parish Assessor	N/A

**ST. CHARLES PARISH ASSESSOR**  
Hahnville, Louisiana

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

Year Ended December 31, 2018

# UZEE, BUTLER, ARCENEUX & BOWES

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## Independent Accountant's Report On Applying Agreed-Upon Procedures

Mr. Tab Troxler  
St. Charles Parish Assessor  
Hahnville, Louisiana

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

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.
  - 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 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.

*Findings: We obtained the St. Charles Parish Assessor's written policies and procedures manual. The policies and procedures manual addresses each of the following categories and subcategories as listed above, except debt service which is not applicable to the St. Charles Parish Assessor:*

- *Budgeting.*
- *Purchasing.*
- *Disbursements.*
- *Receipts/Collections.*
- *Payroll/Personnel.*
- *Contracting.*
- *Credit Cards, Debit Cards, Fuel Cards, and P-Cards.*
- *Travel and Expense Reimbursement.*
- *Ethics.*
- *Debt Service (not applicable).*

***Board or Finance Committee***

---

2. Obtain and inspect the board/finance committee minutes for the period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the period.
  - c) For governmental entities, 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 period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

*Findings: This section, regarding board/finance committee minutes, is not applicable to the St. Charles Parish Assessor.*

***Bank Reconciliations***

---

3. Obtain a listing of client bank accounts for the 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 period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged).
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).
  - 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.

*Findings: We obtained a listing of The St. Charles Parish Assessor's bank accounts from the client's trial balance. Management stated that this listing is complete in their management representation letter dated June 19, 2019.*

*We obtained from the listing, the bank statements and bank reconciliations for each month in the period for all of the entity's bank accounts.*

*For each month, a reconciliation was prepared on all accounts by an independent CPA. All reconciliations were prepared within two months of the related statement closing date.*

*Most of the bank statements were signed by a member of management. However, not all of the bank reconciliations include evidence that a member of management who does not handle cash, post ledgers, or issue checks reviewed the reconciliation. A recommendation was made that all future bank reconciliations contain such evidence.*

*The bank reconciliations reflect no reconciling items that have been outstanding for more than twelve months from the statement closing date.*

### Collections

---

4. Obtain a listing of deposit sites for the period where deposits for cash/checks/money orders are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location 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 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 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. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits, and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) Trace the actual deposit per the bank statement to the general ledger.

*Findings: We obtained a listing of deposit sites and collection locations for the period from the management of the St. Charles Parish Assessor. Management stated that this listing is complete in their management representation letter dated June 19, 2019.*

*The only deposit site and collection location for the St. Charles Parish Assessor is their main business office in the St. Charles Parish Court House.*

*We selected the business office as the deposit site and collection location for our examination, obtained and inspected written policies and procedures related to employee job duties, and observed that job duties are properly segregated at the collection location.*

*Employees that are responsible for fund collections do not use or share cash drawers.*

*The employee that is responsible for collecting funds is not responsible for preparing/making bank deposits, posting collection entries to the general ledger, or reconciling cash collections to the general ledger. Posting entries to the general ledger and reconciling collections to the general ledger are done by an independent CPA during the bank reconciliation process.*

*The Assessor's office has a fidelity bond in force which covers the Assessor, Chief Deputy Assessor, and Administrative Assistant, who are the employees who have access to collections.*

*We selected more than ten deposit dates from the bank account statement and obtained supporting documentation for each of the deposits.*

*The entity does not have a system of sequentially numbered receipts, but all deposits are recorded in the entity's accounting system and balanced during the bank reconciliation process to their bank account by a person who is not responsible for collecting the funds.*

*We traced the deposit slip totals to the actual deposit per the bank statement. Not all deposits were made within one day of collection. A recommendation was made that all future deposits be made within one day of collection.*

*We traced the deposits per the bank statement to the general ledger. All deposits examined were properly recorded and accounted for in the St. Charles Parish Assessor's general ledger.*

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

8. Obtain a listing of locations that process payments for the period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee 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, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
  - a) Observe that the disbursement matched the related original invoice/billing statement.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*Findings: We obtained a listing of the locations that process payments from the management of the St. Charles Parish Assessor. Management stated that this listing is complete in their management representation letter dated June 19, 2019.*

*We obtained a listing of those employees involved with non-payroll and payment functions. We obtained the written policies and procedures relating to those employees' job duties and observed that their job duties were properly segregated.*

*All purchases were initiated using a purchase order system (where appropriate) that separates the initiation from approval functions and requires at least two employees be involved in the process. Each purchase order was approved by an employee who did not initiate the purchase.*

*Payments for purchases were not processed without an approved purchase order, a receiving report showing receipt of the goods purchased, and an approved invoice.*

*The Assessor's office does not add vendors to their purchasing/disbursement system. This is done by an independent CPA who does not initiate purchases.*

*The person who has signatory authority gives the signed checks to an employee for mailing, but the employee who mails the checks also is responsible for processing payments. A recommendation was made that the checks be given to an employee who does not process payments when they are ready to be mailed.*

*We obtained the entity's non-payroll disbursement transaction population from the entity's check register. Management stated that this population is complete in their management representation letter dated June 19, 2019.*

*We selected over 25 disbursements from the Assessor's check register and obtained supporting documentation for each disbursement.*

*All disbursements inspected matched the original invoice/billing statement.*

*All disbursement documentation included evidence of segregation of duties such as purchase orders that separate the initiation and approval functions and approval by an employee who is not involved in processing payments.*

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards for the 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 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 obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

*Findings: We obtained a listing of the St. Charles Parish Assessor's credit cards and fuel cards accounts and the individuals who had possession of those cards. Management stated that this listing is complete in their management representation letter dated June 19, 2019. The Assessor's office does not maintain any bank debit cards or P-cards.*

*The Assessor's office has two Visa accounts which are rarely used. Both cards were kept in a locked location. It is the Assessor's preference to only use these cards when necessary. We obtained the monthly statements for the Visa cards and selected all twelve months to examine. Our examination of the purchases indicated that the main use of the Visa cards was for seminars and on-line courses. The purchases examined included all proper documentation.*

*The Assessor's office has three fuel cards. Each is assigned to one of three vehicles used by the Assessor's office. We obtained the monthly statements for the fuel cards and selected all twelve months to examine. All months examined appeared reasonable in usage. Four of the months examined were each missing one receipt. A recommendation was made that all receipts be turned in and accounted for in the future.*

*All of the monthly statements on the Visa and fuel cards contain evidence of having been reviewed and approved by a member of management other than the authorized card holder.*

*On all cards selected, payment from the prior month was processed by the bank before interest accrued. Therefore, there were no finance charges or late fees assessed.*

*We selected all of the transactions on the Visa cards to examine. All purchases were evidenced by an itemized receipt.*

*We found that the Visa card receipts were not marked with the business/public purpose for each transaction. A recommendation was made to begin listing the business/public purpose on all Visa receipts.*

*None of the Visa charges were for meals and, as such, documentation was not required that would list the individuals participating in the meals.*

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the 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](http://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.

*Findings: We obtained a listing of all travel and travel-related expense reimbursements during the period from the management of the St. Charles Parish Assessor. Management stated that this listing is complete in their management representation letter dated June 19, 2019.*

*We selected five reimbursements, and obtained the related expense reimbursement forms and the supporting documentation.*

*The Assessor's written policies and procedures manual contains their policies and procedures regarding travel and travel-related expense reimbursement. The policies and procedures are in accordance with rates established by the U. S. General Services Administration.*

*All of the selected expense reimbursements were in accordance with written policy. However, original itemized receipts for meals were not attached. There were also two reimbursements for payments of tips and taxis that were paid with cash that were not evidenced by an itemized receipt. A recommendation was made that all expense reimbursements in the future include original itemized receipts and that all receipts for meals be marked with the names of the individuals participating in the meals.*

*Travel and travel-related expense reimbursement documentation does not state the business/public purpose. A recommendation was made that the business/public purpose on all travel and travel-related expense reimbursement documentation be listed in the future. All other documentation required by written policy was attached as required.*

*All expense reimbursements inspected by us included a signature of a person in management who reviewed and approved the expense reimbursement. The approval signature was by someone other than the person receiving the reimbursement.*

### **Contracts**

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

*Findings: We obtained a listing of all agreement/contracts in effect during the period from the management of the St. Charles Parish Assessor. Management stated that this listing is complete in their management representation letter dated June 19, 2019.*

*We selected five contract vendors that were paid during the period and obtained the related contracts and paid invoices.*

*Our inspection found that either the Louisiana Public Bid Law or the entity's purchasing guidelines, which include obtaining quotes, were consistently followed.*

*Because the entity does not have a board or board minutes, the procedure to compare approval for each contract to the minutes was not applicable, but all contracts were approved by a member of management.*

*Our inspection of the contracts found that there were no amendments made to the contracts selected.*

*We selected one payment from each of the five contracts selected above and obtained the supporting invoices. Our inspection found that a formal, written contract was in place for each item selected and the services and amounts paid were properly supported and in agreement with the contract terms and conditions.*

### **Payroll and Personnel**

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16. Obtain a listing of employees/elected officials who were employed during the 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 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).
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the 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 employees'/officials' cumulative leave records, and agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and worker's compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*Findings: We obtained a listing of all employees/elected officials from the management of the St. Charles Parish Assessor. Management stated that this listing is complete in their management representation letter dated June 19, 2019.*

*We selected five employees/officials and obtained their salaries and personnel files. We examined the payments made to each employee/official and found that the payments made to the employees/officials were made in accordance with the terms and conditions of the employee's/official's employment contract or pay rate structure.*

*We obtained the entity's attendance and leave records, selected the same employees/officials as above, and examined their attendance and leave records. All attendance and leave was properly documented by the employees/officials, computed by the Administrative Assistant, and approved by the Chief Deputy Assessor. The entity maintains a proper cumulative listing of leave earned and used, and the balances available for each employee/official.*

*Our examination showed that only one employee terminated her employment during the period. All termination payments were made in strict accordance with written policy and approved by management.*

*Management stated that all of the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums were paid, and the associated forms were filed by their required deadlines, in their management representation letter dated June 19, 2019. We obtained copies of the Assessor's payroll tax reports and records of their payroll tax payments. All were processed and paid on a timely basis. We also examined the check vouchers and reports, and verified that pension contributions, health insurance premiums, and worker's compensation premiums were paid timely.*

### **Ethics**

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

*Findings: We selected all of the St. Charles Parish Assessor's employees/officials and obtained, for each employee/official, the certification certificate from the Louisiana Board of Ethics which confirmed that each employee/official had successfully completed the required one hour seminar for Ethics Training for Public Servants.*

*The ethics documentation received from the St. Charles Assessor demonstrates that each employee/official attested through signature verification that he or she has read the entity's ethics policy during the period.*

### ***Debt Service***

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21. Obtain a listing of bond/notes issued during the 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 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.

*Findings: This section is not applicable to the St. Charles Parish Assessor.*

### ***Other***

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23. Obtain a listing of misappropriations of public funds and assets during the period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1. concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*Findings: Management of the St. Charles Parish Assessor has indicated that there were no cases during the period where funds or property of the Assessor's office have been misappropriated.*

*The notice required by R.S. 24:523.1 regarding the reporting of misappropriation, fraud, waste, or abuse of public funds is posted in a common area of their office. The website of the Assessor's office also contains a link which takes the user to the Louisiana Legislative Auditor's notice required by R.S. 24:523.1.*

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 control and compliance areas identified in the Statewide Agreed-Upon Procedures. 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 control and compliance areas identified in the Statewide Agreed-Upon Procedures, 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 Louisiana Legislative Auditor as a public document.



Uzee, Butler, Arceneux & Bowes  
Certified Public Accountants  
Harvey, Louisiana

June 19, 2019



# ST. CHARLES PARISH ASSESSOR'S OFFICE

Tab Troxler, Assessor

June 19, 2019

Independent Accountant's Report on Applying Agreed-Upon Procedures  
Management Response

Year Ended December 31, 2018

1) BANK RECONCILIATIONS  
Procedure #3b

3. Obtain a listing of client bank accounts for the 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 period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - 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).

FINDING

*Most of the bank statements were signed by a member of management. However, not all of the bank reconciliations include evidence that a member of management who does not handle cash, post ledgers, or issue checks reviewed the reconciliation. A recommendation was made that all future bank reconciliations contain such evidence.*

MANAGEMENT'S RESPONSE

We will ensure that all bank reconciliations include evidence that a member of management who does not handle cash, post ledgers, or issue checks reviewed the reconciliation.

## 2) COLLECTIONS

### Procedure #7d

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits, and:

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

### FINDING

*We traced the deposit slip totals to the actual deposit per the bank statement. Not all deposits were made within one day of collection. A recommendation was made that all future deposits be made within one day of collection.*

### MANAGEMENT'S RESPONSE

We will ensure that all deposits are made within one day of collection.

## 3) NON-PAYROLL DISBURSEMENTS

### Procedure #9d

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

### FINDING

*The person who has signatory authority gives the signed checks to an employee for mailing, but the employee who mails the checks also is responsible for processing payments. A recommendation was made that the checks be given to an employee who does not process payments when they are ready to be mailed.*

## MANAGEMENT'S RESPONSE

We will ensure that all signed checks are given to an employee who is not responsible for processing payments when the checks are ready to be mailed.

### 4) CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

#### A. Procedure #12a

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the 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.

## FINDING

*The Assessor's office has three fuel cards. Each is assigned to one of three vehicles used by the Assessor's office. We obtained the monthly statements for the fuel cards and selected all twelve months to examine. All months examined appeared reasonable in usage. Four of the months examined were each missing one receipt. A recommendation was made that all receipts be turned in and accounted for in the future.*

## MANAGEMENT'S RESPONSE

We will ensure that all credit card and fuel card payments show evidence of all required supporting documentation such as original itemized receipts.

#### B. Procedure #13

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

## FINDING

*We found that the Visa card receipts were not marked with the business/public purpose for each transaction. A recommendation was made to begin listing the business /public purpose on all Visa receipts.*

## MANAGEMENT'S RESPONSE

We will ensure that all credit card receipts are marked with the business/public purpose.

### 5) TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENT

#### A. Procedure #14b & 14c:

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the 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:

- 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).

## FINDING

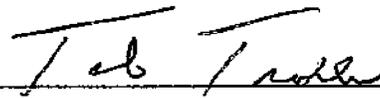
*All of the selected expense reimbursements were in accordance with written policy. However, original itemized receipts for meals were not attached. There were also two reimbursements for payments of tips and taxis that were paid with cash that were not evidenced by an itemized receipt. A recommendation was made that all expense reimbursements in the future include original itemized receipts and that all receipts for meals be marked with the names of the individuals participating in the meals.*

*Travel and travel-related expense reimbursement documentation does not state the business/public purpose. A recommendation was made that the business/public purpose on all travel and travel-related expense reimbursement documentation be listed in the future. All other documentation required by written policy was attached as required.*

MANAGEMENT'S RESPONSE

Many reimbursements are done as per diem, per our office policy, which does not necessarily require receipts. We will ensure that all travel and travel-related expense reimbursements which are not per diem are supported by an original itemized receipt that identifies precisely what was purchased. We will also ensure that all travel and travel-related expense reimbursements are marked with the business/public purpose and that all meal reimbursements are marked with the names of the persons participating in the meals.

Respectfully submitted,



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Tab T. Troxler, Assessor