ST. MARY PARISH SALES AND USE TAX DEPT.

STATE OF LOUISIANA

Annual Component Unit Financial Statements with
Independent Auditors' Report

and

Report on Internal Control Over Financial Reporting and Compliance
and Other Matters

For the Year Ended December 31, 2017

CONTENTS

PITTS & MATTE

a corporation of
certified public accountants

INDEPENDENT AUDITORS' REPORT

Mr. Jeff LaGrange, Director
St. Mary Parish Sales and Use Tax Dept.
Morgan City, Louisiana

Report on the Financial Statement

We have audited the accompanying Statement of Fiduciary Net Position of the St. Mary Parish Sales and Use Tax Dept., a component unit of the St. Mary Parish Council, as of December 31, 2017, and the related notes to the financial statement which comprise the St. Mary Parish Sales and Use Tax Dept.'s basic financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for preparation and fair presentation of this financial statement 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 the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

p. o. box 2363 — morgan city, louisiana 70381-2363 — (985) 384-7545

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

Emphasis of Matter

The St. Mary Parish Sales and Use Tax Dept. is an agency fund created to collect certain taxes within St. Mary Parish and remit them to the various governing bodies within the Parish. The operations of an agency fund are custodial in nature and because of this, the financial statement reports the assets and liabilities and does not report results of operations, nor changes in assets and liabilities.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the St. Mary Parish Sales and Use Tax Dept., as of December 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the Schedule of the Department's Proportionate Share of the Net Pension Liability, the Schedule of Department's Contributions, and the Schedule of Funding Progress, as listed in the table of contents, be presented to supplement the basic financial statement. Such information, although not a part of the basic financial statement, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement 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 statement, and other knowledge we obtained during our audit of the basic financial statement. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming an opinion on the basic financial statement as a whole. The accompanying Schedules of Administrative Costs and Compensation, Benefits, and Reimbursements to Agency Head, Political Subdivision Head, or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statement.

The accompanying Schedules of Administrative Costs and Compensation, Benefits, and Reimbursements to Agency Head, Political Subdivision Head, or Chief Executive Officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, 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 statement as a whole.

Other Reporting Requirements by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated May 3, 2018 on our consideration of the Department'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 soley to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Department's internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with Government Auditing Standards in considering St. Mary Parish Sales and Use Tax Dept.'s internal control over financial reporting and compliance.

Pitts & Matte

CERTIFIED PUBLIC ACCOUNTANTS

May 3, 2018
Morgan City, Louisiana

ST. MARY PARISH SALES AND USE TAX DEPT.

STATEMENT OF FIDUCIARY NET POSITON
December 31, 2017

ASSETS		
Cash	$	1,876,243
Investments		2,388,389
Sales tax receivable		3,340,274
Amounts due from taxing units		402,870
Total assets	$	8,007,776
Deferred Outflows of Resources		
Related to pensions		203,171
Total Assets and Deferred Outflows of Resources	$	8,210,947
LIABILITIES		
Accounts payable and accrued liabilities	$	1,504
Amounts due to taxing units:		
Amount payable in January, 2018		2,582,507
Amount payable in February, 2018		3,340,274
Retained taxes collected		731,499
Accrued compensated absences		66,667
Other postemployment benefits liability (net)		1,309,054
Net pension liability		152,538
Total liabilities	$	8,184,043
Deferred Inflows of Resources		
Related to pensions		26,904
Total Liabilities and Deferred Outflows of Resources	$	8,210,947

The accompany notes are an integral part of this financial statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. Mary Parish Sales and Use Tax Dept. (Department) is responsible for the collection and distribution of the various sales and use taxes levied within the Parish. The Department was created in 1966, when the St. Mary Parish Police Jury, forerunner of the St. Mary Parish Council, adopted its original Sales Tax Ordinance, which levied the first sales tax within the Parish. The Department collects a total of 4% (4.3% within the City of Morgan City) sales tax which has been levied over the years and distributes the proceeds to the various taxing units within the Parish. In addition, the Department collects and distributes the Hotel/Motel Tax and occupational licenses within the parish. Each taxing unit has agreed to reimburse the Department for a portion of the operating costs.

The financial statements of the Department have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Department's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the governmental unit, for financial reporting purposes, consideration has been given to the following criteria as set forth in GAAP:

1. Financial benefit or burden
2. Appointment of a voting majority
3. Imposition of will
4. Fiscally dependent

Based upon the above criteria, the Department is a component unit and integral part of the St. Mary Parish Council (the primary government).

These financial statements include only the operations of the Department.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting

The Department uses funds to report on its financial position and the changes in its assets and liabilities. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category in turn, is divided into separate "fund types". The Department's current operations require only the use of one fiduciary fund, the agency fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

Fiduciary Fund
Agency Fund

The St. Mary Parish Sales and Use Tax Dept. is categorized as a Fiduciary Fund and is operated as an Agency Fund type. The Department accounts for the collection and disbursement of assets held as an agent for other government units. The Agency Fund is custodial in nature (assets plus deferred outflows equal liabilities plus deferred inflows) and does not involve measurement of results of operations.

C. Basis of Accounting

The Department uses the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Collections

Sales and use taxes and hotel motel taxes are recognized in the month that the retail sale or lodging stay occurs, not when the taxes are collected by the Department. Occupational license taxes are recognized when the tax is collected by the Department.

The Department is entitled to the sales and use tax revenues at the time a retail sale takes place. Taxes on sales occurring during one month become due on the first day of the subsequent month and the sales tax return and related tax payment on those sales are due to the Department by the twentieth of the subsequent month. Returns and payments received after the twentieth day of the month are delinquent and are charged interest from the first day of the month. The Department collects the sales taxes at that time and then remits the collections to the various taxing units by the tenth of the following month.

The Department records the asset (sales tax receivable) and the related liability (amount payable to taxing units) at the time of the taxable sale.

For example, when taxable sales occur in December, the related asset (receivable) and liability (payable) are recorded in December. The taxes collected on the December sales are due by the twentieth day of January and are distributed to various taxing units on February tenth.

Distributions

The liability for distribution to the various taxing units is recorded in the month the various taxes are recognized by the Department.

Cost of Operations

Items which make up operating charges are generally recognized under the accrual basis of accounting when the related liability is incurred.

D. Net Pension Liability and Deferred Outflows and Inflows of Resources

In a prior year, the Department implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions". This GASB statement establishes accounting and financial reporting by state and local governments for pensions. This pronouncement requires the Department to calculate and recognize a net pension liability and certain deferred outflows and inflows of resources and pension costs. The Department is a member of the Parochial Employees' Retirement System of Louisiana – Plan A (PERS-A), a cost sharing multiple employer public employee retirement system. For purposes of measuring its net pension liability, deferred outflows and inflows of resources, and pension costs, the Department uses the same basis as PERS-A.

See Note 4 for further details about this pension plan.

E. Budgets

The Department is not required to adopt and did not adopt a budget for the year ended December 31, 2017.

F. Cash

For financial statement purposes, cash includes demand deposits and interest-bearing demand deposits.

G. Investments

The Department invests primarily in external investment pools. These pooled investments are recorded at fair value.

H. Taxes Paid Under Protest

In some cases there is a dispute between the Department and taxpayers as to the taxability of certain transactions. In these cases taxes paid by the taxpayer are recorded in a restricted cash or investment account with an offsetting liability in the retained taxes collected account. At the time the ultimate taxability of the transaction is determined the funds are either: returned to the taxpayer, if the transaction is determined to be nontaxable or; distributed to various taxing governments, if the transaction is determined to be taxable.

I. Compensated Absences

Employees earn vacation and sick leave annually at varying rates depending upon length of service, vacation does not accumulate and can only be used in the current period. Compensated absences due to sick pay are allowed to accumulate from period to period if not used, however, an employee is only compensated for sick time, when they are absent due to illness or upon termination due to retirement. An accrual of approximately $67,000 is made for accumulated sick time estimated to be paid to employees at retirement, based upon their years of services provided through December 31, 2017.

J. Other Postemployment benefits liability

The Department has agreed to provide its employees with postemployment benefits as described further in Note 5. In addition, the Department is currently setting aside certain assets to fund these benefit payments that will become due in future years. The assets set aside are reported with investments. The related liability is reported as other postemployment benefits liability.

K. Accounting Changes

In 2016 the Department adopted GASB 72, Fair Value Measurement and Application, which provides information for all governments who report Fair Value. They also adopted GASB 79, Certain External Investment Pools and Pool Participants, which establishes criteria for external investment pools and pool participants to value its investments. After evaluating these statements the Department has determined they have no significant effect on their financial statement for December 31, 2017.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Department does not have a formal investment policy related to interest rate risk (the risk of an investment decreasing in value due to increasing interest rates).

In addition, the Department does not have a formal investment policy related to credit risk (including concentrations of credit).

However the Department does follow state law as to limitations on types of deposits and investments as described below.

The Department does not invest in any investments subject to foreign currency risk.

Cash and cash equivalents
Under state law the Department may deposit its funds with certain state and federally chartered financial institutions. These deposits are required to be insured or collateralized by the financial institutions.

At year end, the carrying amount of the Department's cash was $1,876,243 and the bank balance was $1,930,416, $250,000 of which is covered by federal depository insurance, and the remaining $1,680,416 was collaterized with securities held by the pledging financial institution.

Investments
Under state law the Department may invest in certain federal or federally guaranteed securities, certain bank time certificates of deposit, mutual or trust funds, and in the Louisiana Asset Management Pool (LAMP). LAMP is an external investment pool operated to allow local governments to pool their investment funds. LAMP is not registered with the SEC as an investment company. LAMP is subject to regulatory oversight of the Louisiana State Treasurer and the LAMP board of directors. Share values for the pool are valued at fair value based on quoted market rates determined on a weekly basis.

At year end all of the Department's invested funds were invested with LAMP. These investments total $2,388,389, including investments of $1,064,846 invested for other post employment benefits and accrued compensated absences and investments totaling $726,984 held in escrow for taxes paid in protest and are carried at fair value. These investment pool amounts have not been assigned a credit risk category since the Department is not issued securities, however LAMP has a AAAm rating from Standard and Poor's.

LAMP determines its maturities using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 43 days as of December 31, 2017.

NOTE 3 - AMOUNTS CURRENTLY DUE TO TAXING UNITS

The following is a detail of amounts due to taxing units at December 31, 2017:

	Payable in January 2018	Payable in February 2018
St. Mary Parish School Board	$1,091,276	$1,420,745
St. Mary Parish Council	417,955	546,796
City of Morgan City	366,278	499,226
City of Franklin	178,139	255,129
City of Patterson	143,979	154,567
Town of Berwick	116,512	145,197
Town of Baldwin	56,651	65,062
St. Mary Parish Recreation District #1	15,820	16,998
St. Mary Parish Sheriff's Office	155,851	202,903
St. Mary Parish Tourist Commission	38,852	33,651
St. Mary Parish-occupational license	181	--
City of Patterson-occupational license	779	--
City of Morgan City-occupational license	77	--
Town of Berwick-occupational license	24	--
City of Franklin-occupational license	133	--
	$2,582,507	$3,340,274

NOTE 4 – PENSION PLAN

Plan Description

The Department contributes to the Parochial Employees' Retirement System of Louisiana Plan A (PERS-A), a cost sharing multiple-employer public employee retirement system administered by a Board of Trustees. The System was established and provided for by the Louisiana Revised Statutes (LRS).

Benefits Provided

PERS-A provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. All permanent employees who work at least 28 hours a week may become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

Retirement Benefits
Members can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:
1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

NOTE 4 – PENSION PLAN (continued)

For employees hired after January 1, 2007:
1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

The monthly retirement allowance consists of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits
Upon the death of any member with five or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member who is eligible for normal retirement at time of death, the surviving spouse shall receive benefits, as outlined in the statutes.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve months immediately preceding death of the member, shall be paid benefits beginning at age 50.

Deferred Retirement Option Plan.
Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for members who are eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, members who are eligible to retire may elect to participate in DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the DROP account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or PERS-A, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits.

Members shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and have at least five years of creditable service or if hired after January 1, 2007, have seven years of creditable service, and are not eligible for normal retirement and have been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen years, or three percent multiplied by years of service assuming continued service to age sixty.

Cost of Living Increases.

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2016, the actuarially determined contribution rate was 10.52% of member's compensation. However, the actual contribution rate for the fiscal year ending December 31, 2016 was 13.00%. Contributions to the Pension Plan from the Department were $57,102 for the year ended December 31, 2016.

NOTE 4 – PENSION PLAN (continued)

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Pension Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources Relate to Pensions

At December 31, 2017, the Department reported a liability of $152,538 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Department's proportion of the net pension liability was based on a projection of the Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2016, the Department's proportion was 0.074065%, which was an increase of 0.002589% from its proportion measured as of December 31, 2015. For the year ended December 31, 2017, the Department recognized pension costs of $90,537. The Department's proportionate share of non-employer contributions for the year ended December 31, 2017 was $5,471.

At December 31, 2016, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 26,693
Change of assumptions	28,960	-
Net difference between projected and actual investment earnings on pension plan investments	118,375	-
Change in proportion and differences between the contributions	108	211
Department's contributions after measurement date	55,728	
	$ 203,171	$ 26,904

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31:	
2017	$ 44,765
2018	44,766
2019	31,207
2020	(3,198)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2016, are as follows:

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.00% (Net of investment expense)
Expected Remaining Service Lives	4 years
Projected Salary Increases	5.25% (2.75% Merit/2.50% Inflation)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

***Actuarial Assumptions* (continued)**

Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Table was selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Healthy Annuitant Sex Distinct Table (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected. For active employees, RP-2000 Disabled Lives Mortality Table set back 4 years for males and 3 years for females was used.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the Capital Asset Pricing Model, (CAPM) (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.

NOTE 4 – PENSION PLAN (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real Assets	2%	0.12%
Totals	100%	5.66%
Inflation		2.0%
Expected Arithmetic Nominal Return		7.66%

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the 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 those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.00% or one percentage point higher 8.00% than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Department's Proportionate Share of Net Pension Liability (Asset)	$456,302	$152,538	($104,304)

NOTE 4 – PENSION PLAN (continued)

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2015. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

NOTE 5 - OTHER POSTEMPLOYMENT BENEFITS

Background. The Department provides healthcare insurance for their retired employees. Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* addresses the reporting requirements that should be followed for local governments. The Department implemented these changes for the year beginning, January 1, 2008.

Plan Description. The St Mary Parish Sales and Use Tax Department administers a single-employer defined benefit healthcare plan. Although the Department does not have a written plan, the benefits that are provided to retirees are approved on a year to year basis. Because the Department is a component of the St Mary Parish Council who does have a written plan, it generally follows the guidelines set forth by the Parish. All benefits to be provided to plan members or beneficiaries in accordance with the current substantive plan (the plan terms as described by the employer to plan members) at the time of each valuation, including any changes to plan terms that have been made and communicated to employees. The Department's plan does not issue a publicly available financial report.

Funding Policy. The Department began funding the annual required contribution in July 2009. The Department contributes 100 percent of the cost of current year premiums for eligible retired members and 60 percent of the cost for their spouses. In addition, the Department began setting funds in July of 2009, for benefits for current employees that will become due in the future. In the fiscal year ended December 31, 2017, the total employer contribution was $29,821. In addition, the Department set aside approximately $10,000 for future benefits in 2017.

NOTE 5- OTHER POSTEMPLOYMENT BENEFITS (continued)

Annual OPEB Cost and Net OPEB Obligations. The Department's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC).* The Department has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Department's annual OPEB cost for the year, the amount actually contributed to the plan, changes in the Department's net OPEB obligation to the plan, and the percentage of annual OPEB cost contributed to the plan:

Annual required contribution	$ 197,900
Interest on net OPEB obligations	47,602
ARC adjustment	(96,085)
Annual OPEB cost (expense)	$ 149,417
Contributions made	(29,821)
Increase in net OPEB obligation	$ 119,596
Net OPEB Obligations – Beginning of year	1,190,054
Net OPEB Obligations – End of year	$1,309,650

Year Ended	Annual OPEB Cost	% of annual OPEB Cost Contributed	Net OPEB Obligation	Amounts Held for future OPEB payments (not placed in an irrevocable trust)
12/31/14	$193,071	12.2%	$822,981	$709,326
12/31/15	$222,454	15.7%	$1,010,475	$883,183
12/31/16	$214,375	16.2%	$1,190,054	$987,936
12/31/17	$149,417	20.0%	$1,309,650	$998,179

It is the Department's policy to pay insurance premiums for retired employees in addition to set aside funds for the payment of current employees that will become due in the future. However, under the provisions of GASB 45, payments made by an employer to an OPEB plan do not qualify as contributions or reduction of a OPEB benefit obligation unless they are paid to an insurance company or placed in an irrevocable trust. While payments made by the Department for future benefits are set aside in a separate account, they are not placed in an irrevocable trust.

NOTE 5 - OTHER POSTEMPLOYMENT BENEFITS (continued)

Funded Status and Funding Progress. As of December 31, 2017 the actuarial accrued liability for benefits was $1,463,405, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $483,660, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 302.6 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplemental information following the notes to the financial statements presents information that shows whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effect of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees—Based on the historical average retirement age for the covered group, active plan members were assumed to retire at the earlier of age 65, or after completing the required 33 years of service (the minimum years needed to obtain maximum pension benefits).

Marital Status—Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality—Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2007 United State Life Tables for Males and for Females were used.

Turnover—Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing as expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

NOTE 5 - OTHER POSTEMPLOYMENT BENEFITS (continued)

Healthcare cost trend rate—The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 5.4 percent initially, increased to an ultimate rate of 5.8 percent after 5 years, was used.

Health insurance premiums—The current premiums paid for each member and their spouse was used as the basis for calculation of the present value of total benefits to be paid.

Discount rate—Four percent, is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management. In addition a simplified version of the unit cost actuarial cost method was used. The unfunded actuarial accrued liability is being amortized over sixteen and one-half years as a level dollar amount on an open basis.

NOTE 6- RELATED PARTY

The Department rents its office facilities, on a month-to-month basis, from the St. Mary Parish Council, the oversight entity. The amount of rent paid in 2017 totals $9,600.

NOTE 7 - RISK MANAGEMENT

The Department is exposed to various risks of loss related to torts, theft, or damage to assets, errors and omissions, injuries to employees and natural disasters. The Department has purchased commercial insurance to protect against loss from substantially all these perils. There were no significant reductions in insurance coverages from prior years. There were no insurance settlements in excess of the amount of coverage during the last three years.

NOTE 8 - TAX COLLECTIONS AND DISTRIBUTIONS

The following is a Schedule of Tax Collections, and Distributions by taxing authorities for 2017:

Receipts	
Sales tax and other collections	$ 36,402,889
Interest on investments	5,546
Total	$ 36,408,435
Disbursements	
Administrative Costs	$ 1,023,002
Transfer and allocations of sales taxes to:	
St. Mary Parish	
Law Enforcement	$ 796,295
Sanitation Fund	2,389,446
Debt Service Fund	1,650,931
Sales Tax Wards 1, 2, 3, 4, 7 and 10	399,952
Wards 5 & 8 Sales Tax Fund	276,844
Recreation District No. 1	193,554
Wards 6 & 9 Sales Tax Fund	48,389
St. Mary Parish School Board	14,447,559
City of Morgan City	4,839,371
City of Franklin	2,410,692
City of Patterson	1,857,192
Town of Berwick	1,536,140
Town of Baldwin	740,078
St. Mary Parish Sheriff's Office	2,063,204
	33,649,647
Transfer of hotel/motel tax to:	
St. Mary Parish Tourist Commission	467,984
Transfer of Occupational License tax to:	
St. Mary Parish	442,291
City of Morgan City	478,260
City of Franklin	162,873
City of Patterson	64,396
Town of Berwick	88,536
Town of Baldwin	31,446
	1,267,802
Total	$ 36,408,435

The taxes reflected are for sales and lodging stays that took place in the twelve months ending December 31, 2017.The related payments of sales taxes made to the taxing units were actually distributed from March 2017 through February 2018.

REQUIRED SUPPLEMENTAL INFORMATION

St. Mary Parish Sales and Use Tax Department

SCHEDULE OF THE DEPARTMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Parochial Employees Retirement System of Louisiana (Plan A)
as of December 31, 2016 (The Plan Measurement Date)

	2016	2015	2014
Department's proportion of the net pension liability (asset)	0.074065%	0.071476%	0.069040%
Proportionate share of the net pension liability (asset)	$ 152,538	$ 188,145	$ 18,876
Covered employee payroll	$ 439,244	$ 407,905	$ 404,647
Department's proportionate share of the net pension liability as a percentage of its covered employee payroll	34.73%	46.12%	4.66%
Plan fiduciary net position as a percentage of the total pension liability	94.15%	92.23%	99.15%

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

Unaudited

St. Mary Parish Sales and Use Tax Department

SCHEDULE OF THE DEPARTMENT'S CONTRIBUTIONS
Parochial Employees Retirement System of Louisiana (Plan A)
For the Year Ended December 31, 2017

	2017	2016	2015
Contractually required contribution	$ 55,728	$ 57,102	$ 59,146
Contributions in relation to the contractually required contribution	55,728	57,102	75,029
Contribution deficiency (excess)	$ -	$ -	$ (15,883)
Covered employee payroll	445,821	439,244	407,905
Contribution as a percentage of covered employee payroll	12.50%	13.00%	18.41%

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

Unaudited

ST. MARY PARISH SALES AND USE TAX DEPT.

REQUIRED SUPPLEMENTAL INFORMATION

Schedule of Funding Progress for
the Department's Retiree Healthplan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)— Unit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
1/1/15	--	$1,837,450	$1,837,450	0%	$446,728	411.3%
1/1/16	--	$1,860,641	$1,860,641	0%	$476,160	390.8%
1/1/17	--	$1,463,405	$1,463,405	0%	$483,660	302.6%

Unaudited

GENERAL SUPPLEMENTARY INFORMATION

ST. MARY PARISH SALES AND USE TAX DEPT.

Schedule of Administrative Cost
For the Year Ended December 31, 2017

Salaries	$ 483,660
Examination fees and costs	239,476
Group insurance	140,054
Commercial Insurance	6,762
Retirement contribution	55,728
Office supplies	12,031
Computer expense	5,669
Auto and travel expense	13,092
Postage	18,829
Rent	9,600
Telephone	14,079
Equipment rental and maintenance	3,452
Payroll taxes	7,000
Professional services	390
Dues and subscriptions	8,746
Office equipment	4,434
	$ 1,023,002

ST. MARY PARISH SALES AND USE TAX DEPT.

Schedule of Compensation, Benefits, and Reimbursements to
Agency Head, Political Subdivision Head, or Chief Executive Officer
For the Year Ended December 31, 2017

Director: Jeffery LaGrange

Purpose		Amount
Salary	$	100,171
Benefits-Insurance		23,381
Benefits-retirement		9,516
Cellphone allowance		600
Automobile allowance		900
Reimbursement-Travel		1,378
Reimbursement-Meals		484
Reimbursement-Hotel		1,710
Reimbursement-Other		21
Total	$	138,161

These amounts represent all compensation, benefits, and reimbursements for the year.

INTERNAL ACCOUNTING CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS SECTION

PITTS & MATTE
a corporation of
certified public accountants

INDEPENDENT AUDITORS' 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. Jeff LaGrange, Director
St. Mary Parish Sales and
Use Tax Dept.
Morgan City, 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 statement of the St. Mary Parish Sales and Use Tax Dept. (the Department), as of December 31, 2017, and the related notes to the financial statements which comprises the Department's basic financial statement and have issued our report thereon dated May 3, 2018.

Internal Control Over Financial Reporting

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

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

p. o. box 2363 — morgan city, louisiana 70381-2363 — (985) 384-7545

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statement is 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.

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 Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Legislative Auditor.

Pitts & Matte

CERTIFIED PUBLIC ACCOUNTANTS

May 3, 2018
Morgan City, Louisiana

ST. MARY PARISH SALES AND USE TAX DEPT.
STATE OF LOUISIANA

Schedule of Findings
For the Year Ended December 31, 2017

A. SUMMARY OF AUDIT FINDINGS

1. The auditors' report expressed an unmodified opinion on the financial statement of the St. Mary Parish Sales and Use Tax Dept.

2. Report on Internal Control over Financial Reporting and Compliance and Other Matters

   Internal Control over financial reporting
   No findings are required to be reported for the year ended December 31, 2017.

   Compliance
   There were no material instances of noncompliance or other matters noted during the audit of the financial statements.

3. Federal Awards

   This section is not applicable for the year ended December 31, 2017.

4. Management Letter

   No letter was issued.

B. FINDINGS FINANCIAL STATEMENT AUDIT

There are no findings to be reported for the year ended December 31, 2017.

C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS PROGRAMS

This section is not applicable for the year ended December 31, 2017.

SUMMARY OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION PREPARED BY ST. MARY PARISH SALES AND USE TAX DEPT.

INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Internal Control and Compliance

There were no findings in the prior year.

INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

This section is not applicable.

ST. MARY PARISH SALES AND USE TAX DEPT.

STATE OF LOUISIANA

SCHEDULE OF PROCEDURES PERFORMED AND
ASSOCIATED FINDINGS BASED UPON THE
STATEWIDE AGREED-UPON PROCEDURES

FOR THE YEAR ENDED
December 31, 2017
WITH
AGREED UPON PROCEDURES REPORT
BY
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

PITTS & MATTE

a corporation of
certified public accountants

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To Mr. Jeff LaGrange, Director
St. Mary Parish Sales and Use Tax Dept.
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in the attached Schedule of Procedures Performed and Associated Findings Based Upon the Statewide Agreed-Upon Procedures (Schedule), which were agreed to by St. Mary Parish Sales and Use Tax Dept (Department) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Department's management is responsible for those C/C areas identified in the SAUPs presented in the attached Schedule. 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 in the attached Schedule either for the purpose for which this report has been requested or for any other purpose.

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

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

Pitts & Matte

CERTIFIED PUBLIC ACCOUNTANTS

Morgan City, Louisiana
May 24, 2018

p. o. box 2363 — morgan city, louisiana 70381-2363 — (985) 384-7545

ST. MARY PARISH SALES AND USE TAX DEPT
STATE OF LOUISIANA
Schedule of Procedures Performed and Associated Findings Based upon the Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2017

Guide to Presentation Format

This report contains these items presented in this order:

Statewide Agreed-Upon Procedures (AUPS) prescribed by the Louisiana Legislative Auditor (LLA),

Procedures performed by the Independent Certified Public Accountant,

Findings based upon the procedures performed, and

Management's Comments relative to the findings, if applicable.

In order to facilitate understanding this report - the procedures and findings are presented in the following format:

Order of Presentation	**Presentation Format**
Area or function	**Centered all CAPITALS IN BOLD TYPE**
Statewide Agreed-Upon Procedures Prescribed (AUPS) by Louisiana Legislative Auditor (LLA)	Regular type highlighted with numbers or letters (if there are multiple parts)
Actual procedures performed by Independent Certified Public Accountant	Denoted as **Procedure Performed:** (in bold type) followed by procedure in regular type
Finding based upon procedure performed	Denoted as **Findings:** (in bold type) followed by findings in regular type
Management's response to findings	Denoted as ***Management's Response:***(in bold type) followed by *managements response in italics*

WRITTEN POLICIES AND PROCEDURES

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

Budgeting

a) Budgeting, including preparing, adopting, monitoring, and amending the budget

Procedure Performed: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for budgeting.

Findings: The entity does not have any written policies and procedures for budgeting.

Purchasing

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.

Procedure Performed: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for purchasing.

Findings: The entity does not have any written policies and procedures for purchasing.

Disbursements

c) Disbursements, including processing, reviewing, and approving

Procedure Performed: Obtained from management and read the written policies and procedures for disbursements.

Findings: Found that the written policy includes specific items for disbursements listed above.

Receipts

d) *R*eceipts, including receiving, recording, and preparing deposits

Procedure Performed: Obtained from management and read the written policies and procedures for receipts.

Findings: Found that the written policy includes the specific items for receipts listed above.

Payroll/Personnel

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

Procedure Performed: Inquired of management the and obtained management's written confirmation that they do not have written policies and procedures for payroll and personnel.

Findings: The entity does not have any written policies and procedures for payroll/personnel.

Contracting

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

Procedure Performed: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for contracting.

Findings: The entity does not have any written policies and procedures for contracting.

Credit Cards

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, and (5) monitoring card usage

Procedure Performed: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for and that they do not have any credit cards (and debit cards, fuel cards, P-cards).

Findings: The entity does not have credit cards.

The entity does not have any written policies and procedures for credit cards.

Travel and expense reimbursement

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

Procedure Performed: Obtained from management the "Auto & Travel Policies" and read the written policy for travel and expense reimbursement.

Findings: Found that the written policy includes the specified functions listed above.

Ethics

i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Procedure Performed: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for ethics.

Findings: The entity does not have any written policies and procedures for ethics.

Debt Service

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

Procedure Performed: Inquired of management and obtained management's written confirmation that they do not have written policies and procedures for debt.

Findings: The entity does not have written policies and procedures for debt.

Management's response:

The Department has policies and procedures in all the areas above, except for credit cards because we do not have credit cards.

However, the procedures are not in writing except for disbursements, receipts, and travel and expense reimbursement.

Due to the small size of the Department and our limited number of personnel, we do not believe it is cost effective to have written procedures in all areas.

We do plan to put into writing our policies and procedures related to:

Payroll/Personnel

Ethics

2. Obtain and review the board/committee minutes for the fiscal period, and:

   a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

   b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

      - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

   c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

This section is not applicable. The Department is an Agency Fund of the St. Mary Parish Council (Council) and it operates under the Council. The Department is not required to and does not have board meetings therefore, they do not have any minutes.

Management's response:
No comment.

BANK RECONCILIATIONS

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

   Procedure Performed: Obtained the listing of bank accounts from management, and received management's written representation that the list is complete.

   Findings: The listing includes four bank accounts.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

   a) Bank reconciliations have been prepared;

      Procedure Performed: Selected 4 bank accounts out of a total of 4 accounts and requested bank reconciliations and bank statements for all accounts for the fiscal year. Obtained 48 out of 48 bank statements and bank reconciliations prepared for each month during the fiscal period

      Findings: A bank reconciliation was prepared for each bank account for all months during the fiscal period.

   b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

      Procedure Performed: Inspected all bank reconciliations listed above for all months in the fiscal period.

      Findings: Found there is no evidence that a member of management (with no involvement in the transactions associated with the bank account) had reviewed each bank reconciliation

   c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

      Procedure Performed: Inspected bank reconciliations for the end of the fiscal period.

      Findings: Found there were 17 items totaling $11,108 that were outstanding for more than 6 months at year end. There was no documentation that these items were researched.

Management's response:
In the future all bank reconciliations will include evidence of review by an official of the St. Mary Parish Council.

We will implement a procedure for researching and handling all items outstanding for more than 6 months.

COLLECTIONS

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

   Procedure Performed: Obtained the listing of cash/check/money order (cash) collections locations and management's written representation that the listing is complete.

   Findings: The entity has only one cash collection location.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). **For each cash collection location selected**:

   a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

      Procedure Performed: Obtained and read written documentation (insurance policy, and written receipts policy)

      Findings:

      1) All individuals responsible for cash collections are bonded.
      2) The individuals responsible for cash collections are not responsible for:
         - depositing cash into the bank
         - recording related transactions
         - reconciling the related bank account.
      3) Employees do not share the same cash drawers with other employees.

   b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Procedure Performed: Obtained and inspected and compared the written documentation (bank statements, deposit slips, Star Processing System batch detail listings, and general ledger).

Findings: The entity has a formal process to reconcile cash collections to the general ledger.

The reconciliation is done by the Director who is not responsible for cash collections.

c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Procedure Performed: Obtained and inspected the entity's collection documentation (Star Processing System batch detail listings, deposit slip images, reconciliations, and bank statements). For the week in which the entity had its largest weekly receipt, we traced daily collections to the deposit date on the corresponding bank statement documenting number of days from receipt to deposit for each day.

Findings: Found that all deposits were made on day of receipt as follows:

Total Amount Collected	Collection Date	Deposit Date	# of days from receipt to deposit
$ 133,298.88	6/19/2017	6/19/2017	0
$ 94,487.39	6/20/2017	6/20/2017	0
$ 403,409.15	6/22/2017	6/22/2017	0
$ 296,397.28	6/23/2017	6/23/2017	0

Due to a tropical storm warning, the entity did not open for business 6/21/2017, therefore, there were no collections or deposits made on this day.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Procedure Performed: Observed and compared Star Processing System batch detail listing, bank deposit slips, bank statements, and general ledger postings for the items selected in 6(c).

Findings: All collections recorded in the general ledger are in agreement with and are supported by documentation (Star Processing System batch detail listing, bank deposit slips, bank statements)

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

Procedure Performed: Inquired of management and obtained management's written confirmation that they do have a process to determine the completeness of all collections by revenue source by a person that is not responsible for cash collections, however it is not in writing.

We inspected Star Processing System batch detail listing, bank deposit slips, bank statements, and General Ledger

Findings: The entity does have a process to determine completeness of collections by a person that is not responsible for cash collections, however it was not in writing.

Management's response:
No Comment.

DISBURSEMENTS – GENERAL (EXCLUDING CREDIT CARD/DEBIT CARD/FUEL CARD/P-CARD PURCHASES OR PAYMENTS):

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

   Procedure Performed: Obtained the listing of disbursements and received management's written representation that the listing was complete.

   Findings: Management confirmed the list is complete. The listing contained 1,184 items (including voids) which totaled $37,518,775.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

   a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

   b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

   c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

   Procedure Performed: Randomly selected 25 disbursements from the list provided in #8 (excluding voids) and obtained supporting documentation (approved vendor invoices, disbursement reports, bank statements, lamp statements, and check images). Compared supporting documents, approved invoices and check images with payees, dates, check numbers, and amounts with list obtained in #8 above.

   Findings: The sales tax departments disbursements are of two general types, payments for various operational expenses (including payroll and payroll related items) and disbursements of taxes collected in behalf of other governmental bodies. They do not have a purchase order system, however substantially all of their disbursements would not be of the type to warrant a purchase order.

   a) The entity does not use a purchase requisition or purchase order system.

b) The entity does not use purchase orders, therefore there is no approval of a purchase order.

c) Payments for purchases were made without an approved purchase requisition or purchase order, receiving report or equivalent however, all disbursements had an approved invoice or equivalent disbursement report.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system

Procedure Performed: Obtained from management and read written policy for disbursements.

Findings: Found the written policy did not state that the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Procedure Performed: Obtained from management and read written policy for disbursements. Also see procedures performed in #9 above.

Findings: Based upon written policy, and procedures performed in #9 above it was determined that the Director initiates purchases and he has signature authority however, he does not record purchases.

In addition, all checks require two signatures one is the Director and the second is an elected official who has no responsibility for initiating or recording purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Procedure Performed: Observed and inquired of management if all supplies of unused checks are maintained in a locked location, with access restricted to only those persons that do not have signatory authority.

Findings: The supplies of unused checks are maintained in a locked location. Only Payroll Clerk has access to the checks, she does not have signature authority.

DISBURSEMENTS – (CONTINUED)

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Not applicable–a signature stamp or signature machine is not used.

Management's response:

The policies and procedures will be amended to prohibit the person who processes payments from adding vendors.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

    Procedure Performed: We inquired of management and obtained management's written confirmation that the do not have credit cards, bank debit cards, fuel cards, and P-cards.

    Findings: Found the entity does not have credit cards, bank debit cards, fuel cards, and P-cards.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

    Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

    a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

    b) Report whether finance charges and/or late fees were assessed on the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the cards selected (i.e. each of the cards should have one month of transactions subject to testing).

    a) For each transaction, report whether the transaction is supported by:

       - An original itemized receipt (i.e., identifies precisely what was purchased)
       - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
       - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

    b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

    c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exception.

This Section is not applicable (See #14 above).

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

    Procedure Performed: Obtained a listing of all travel and related expense reimbursements, by person, during the fiscal period. Obtained management's written representation that the listing is complete.

    Findings: We found the list reported reimbursements to six individuals for a total of $9,761 for travel and expense reimbursements for the fiscal period.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

    Procedure Performed: We obtained and read the entity's "Auto & Travel Policies" related to travel and expense reimbursements. We observed the per diem and mileage rates established by the U.S General Services Administration by accessing the information on their website.

    Findings: Found that the entity reimburses mileage at rates equal to the IRS optional mileage allowance which coincide with the GSA rates. The entity per diem rate does not exceed GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

    a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

       Procedure Performed: We selected three employees from the list at #17 who incurred the most travel cost during the fiscal year and selected the largest travel expense reimbursement to them and obtained the related expense report and supporting documentation and compared it to the allowable GSA rates from #18 above; and to the written policy obtained at #18.

       Findings: The expenses were for mileage, meals, lodging and parking.

       The mileage, lodging, and parking reimbursements for all three individuals complied with written policies.

The Department reimbursed three employees for a total of 11 meals. Ten of the reimbursements for meals were in accordance with the Department's policy; one reimbursement was not.

b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

  Procedure Performed: Traced expense reimbursements (for all items selected in 19a) to the original itemized receipts that identified precisely what was purchased. Observed established per diem rates for meal reimbursements in "Auto & Travel Policies"

  Findings: Found that selected expenses were supported by an original itemized receipt that identifies what was purchased. Meal reimbursements were based on a per meal rate, therefore and original itemized receipt was not required.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

  Procedure Performed: Observed original itemized receipts (for all items selected in 19a)

  Findings: The original itemized receipt documented the business purpose

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

  Procedure Performed: Read the entity's written "Auto & Travel Policies" obtained in step #18, to determine any other documentation requirements, and compared the requirement to the original receipt (for all items selected in 19a).

  Findings: The written policy requires the Directors' approval of employee travel. Found that 2 out of 3 expense reports contained this approval.

c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse).

Procedure Performed: Read Article 7, Sections 14 of the Louisiana Constitution and compared it's prohibited transactions to the transactions selected for testing above.

Findings: Found that none of the transactions in the test were prohibited.

d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure Performed: Obtained and inspected the three expense reports selected for testing for documentation for review and approval in writing by someone other than by the person receiving the reimbursement.

Findings: One of the three expense reports was approved by a person not receiving the reimbursement.

One of the expense reports was not approved.

One was the Director's expense report which was approved by the Director. However, checks for expense reimbursements are signed by an elected official of the St. Mary Parish Council.

Management's response:
Will ensure that reimbursements are in accordance with our policies.

Will ensure all travel and expense reimbursements are reviewed and approved in writing by someone other than the person receiving reimbursement.

CONTRACTS

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

    Procedure Performed: Obtained a listing of all contracts in effect during the fiscal period, and management's written confirmation that the listing was complete.

    Findings: Found the list contained 37 contracts (other than our firm).

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

    a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

    b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

    - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
    - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

    c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

    d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

    e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

    Procedure Performed: We selected five contracts from the listing at #20 that were paid the most money during the fiscal year and requested and read the related formal/ written contracts and paid invoices.

We selected the largest payment under each contract and obtained and compared the supporting invoices and related payment under the contract to determine compliance with terms and conditions of the contract.

CONTRACTS (CONTINUED)

Findings:

a) Of the five contracts, two are insurance providers one has a written contract and the other has monthly invoices which support the service arrangements and amounts paid. Three are contract auditors who perform sales tax audits on behalf of the Department, they all have written contracts which support the service arrangements and amounts paid.

b) None of the five contracts are subject to the Louisiana Public Bid Law or Procurement code.

The entity was not required to and did not solicit quotes for these contracts.

c) None of the contracts were amended during the fiscal year.

d) For the largest payment made under each of the five contracts during the fiscal period we found that invoices and related payments agreed with the terms and conditions of the related written contracts

e) The Department's policy does not require the approval of contracts, other than those required under Louisiana Public Bid Law. The Department does not have board minutes (see procedure #2)

Management's response:
We will include our definition of a "contract" and our procedures for handling contracts in the written policies and procedures for Disbursements.

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete.

Procedure Performed: We obtained a listing of employees with their related salaries and obtain management's written representation that the listing is complete.

Findings: The listing contained 9 employees with their total salaries of $483,660.

There are no elected officials.

Randomly select five employees/officials, obtain their personnel files, and:

a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Procedure Performed: Randomly selected 5 employees from the above listing, obtained and inspected their personnel files. We inspected the Distribution Report for the fiscal period for each employee selected and compared to authorized pay rates.

Findings: Found that there are no employee contracts, however, payments were made in accordance with the employment pay rate structure.

b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Procedure Performed: Obtained and inspected the Employee Compensation Report and for individuals selected at #22a for changes made to hourly pay rates/salaries during the fiscal period.

Findings: Found the Employee Compensation Report supported changes made to hourly pay rate/salaries during the fiscal period however, it did not contain approval in writing.

The Department does not have written polices in this area,

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Procedure Performed: Obtained attendance and leave records (Time Sheets) and randomly selected one pay period in which leave had been taken by at least one employee and within that pay period randomly selected 3 employees (one-third of 9). Inspected daily attendance and leave from the Time Sheets for that period for proper documentation.

Findings: Found daily attendance and leave was properly documented by all three employees.

b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Procedure Performed: Inspected daily attendance and leave records (Time Sheets) for supervisor approval.

Findings: Found that attendance and leave was not approved electronically or in writing by a supervisor. However, attendance and leave is recorded by the Director.

c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Procedure Performed: Inquired of management and obtained written documentation of daily attendance and leave records (Time Sheets) on those selected employees that earn leave.

Findings: Found the employees Time Sheets contained written documentation of daily attendance and leave records on the selected employees that earn leave.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Procedure Performed: Inquired of management and obtained management's written confirmation that no employees were terminated during the fiscal period.

Findings: Found no one was terminated and no termination payments were made during the fiscal period.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Procedure Performed: Obtained and inspected all forms relating to payroll taxes and retirement contributions for the fiscal period along with EFT documentation for the fiscal year to determine if all forms and payments were submitted to the proper agencies by the required deadlines.

PAYROLL AND PERSONNEL (CONTINUED)

Findings: Found that all forms and payments relating to payroll taxes and retirement contributions were filed/paid by the required deadline.

Management's response:

We will put into writing our policies and procedures related to payroll and personnel.

ETHICS

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

    Procedure Performed: Obtained and inspected ethics compliance certificates from management for the 5 randomly selected employees from #22.

    Findings: Found that the entity maintained required ethics training documentation for 4 out of 5 employees.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

    Procedure Performed: Inquired of management and obtained management's written confirmation that no alleged ethics violations were reported during the fiscal period.

    Findings: Found that no alleged ethics violation were reported during the fiscal period.

Management's response:

We will put into writing our policies and procedures related to payroll and personnel which will included a section on ethics

The one employee that did not have the required training obtained it shortly after year end.

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Procedure Performed: Inquired of management and obtained management's written confirmation that no debt was issued during the fiscal period.

Findings: Found that no debt was issued during the fiscal period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Procedure Performed: inquired of management and obtained management's written confirmation that the entity had no outstanding debt during the fiscal period.

Findings: Found the entity had no outstanding debt during the fiscal period.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Procedure Performed: inquired of management and obtained management's written confirmation that the entity had no tax millages relating to debt service.

Findings: Fount the entity had no tax millage relating to debt services.

Management's response:
If we plan to incur debt in the future (including leases) we will contact our legal advisor for guidance.

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Procedure Performed: Inquired of management and obtained management's written confirmation that the entity had no misappropriation of public funds or assets during the fiscal period.

Findings: Found that the entity had no misappropriation of public funds or assets during the fiscal period.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedure Performed: Observed that the entity had posted on its premises the notice required by R.S. 24:523.1.

Findings: Found that the entity posted the above mentioned notice as required on its premises. The entity does not have a website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Procedure Performed: Compared managements representations to all procedures, and the results of such procedures and compared them to managements representation.

Findings: Found no exceptions regarding management's representations in the procedures and findings above.

Management's response:
No comment.