

*Financial Report*

*St. Bernard Parish Assessor*

*December 31, 2017*

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*December 31, 2017*

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Chalmette, Louisiana

December 31, 2017

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**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Jaylynn Bergeron Turner,  
St. Bernard Parish Assessor,  
Chalmette, Louisiana.

We have audited the accompanying financial statements of the governmental activities and the General Fund of the St. Bernard Parish Assessor (the "Assessor"), as of and for the year ended December 31, 2017, and the related notes to the financial statements which collectively comprise the Assessor's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and General Fund of St. Bernard Parish Assessor as of December 31, 2017, and the respective changes in net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 9 and the required supplementary information on pages 42 through 46, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operations, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 47 is presented for purposes of additional analysis and is required by Louisiana Revised Statute 24:513(A)(3) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with Government Auditing Standards, we have also issued our report dated May 22, 2018, on our consideration of the St. Bernard Parish Assessor's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the St. Bernard Parish Assessor's internal control over financial reporting and compliance.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, Louisiana,  
May 22, 2018.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**St. Bernard Parish Assessor**  
Chalmette, Louisiana

December 31, 2017

The Management's Discussion and Analysis of the St. Bernard Parish Assessor's (the "Assessor") financial performance presents a narrative overview and analysis of the Assessor's financial activities as of and for the year ended December 31, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with basic financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

The Assessor's assets exceeded its liabilities as of December 31, 2017 by \$95,834 (net position), which represents a 43.10% decrease from December 31, 2016.

The Assessor's revenues decreased \$4,644 (.74%). This was due to the Assessor recognizing revenue of approximately \$6,600 less for ad valorem tax revenue, a decrease in cost reimbursements from the St. Bernard Parish Government of approximately \$100, as well as an increase of approximately \$1,300 of interest income during 2017.

The Assessor's expenses increased \$29,087 (4.37%). The variance includes an increase in personnel services of approximately \$62,100, an increase in materials and supplies of approximately \$8,800 and a decrease of other services and changes of approximately \$41,100.

The Assessor did not have any funds with deficit fund balances.

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

This discussion and analysis is intended to serve as an introduction to the Assessor's basic financial statements. The Assessor's financial report consists of three parts: (1) management's discussion and analysis (this section), (2) basic financial statements, and (3) special reports by certified public accountants and management.

The basic financial statements include two kinds of statements that present different views of the Assessor:

## **OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Assessor's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the Assessor's assets and liabilities, with the difference between the two reported as the net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the Assessor is improving or deteriorating. The Statement of Activities presents information showing how the Assessor's net position changes during each fiscal year.

All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Assessor is to assess all real and movable property that is subject to ad valorem taxes in St. Bernard Parish.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Assessor are governmental funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Assessor maintains one individual governmental fund (the "General Fund"). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund. The Assessor adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 10 and 12 of this report.

## **OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 14 of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As previously noted, net position may serve over time as a useful indicator of the Assessor's financial position. As of December 31, 2017, assets exceeded liabilities by \$95,834. A portion of the Assessor's net assets (42.99%) reflects its investment in capital assets (e.g., office furniture, fixtures, and equipment). Consequently, these assets are not available for future spending.

#### **Condensed Statement of Net Position**

	December 31,		Dollar
	2017	2016	Change
Current and other assets	\$ 805,721	\$ 832,486	\$ (26,765)
Capital assets	41,200	57,642	(16,442)
Total assets	846,921	890,128	(43,207)
Deferred outflows of resources	123,989	150,375	(26,386)
Current liabilities	10,859	5,744	5,115
Non-current liabilities	769,968	847,432	(77,464)
Total liabilities	780,827	853,176	(72,349)
Deferred inflows of resources	94,249	18,913	75,336
Net position:			
Invested in capital assets	41,200	57,642	(16,442)
Unrestricted	54,634	110,772	(56,138)
Total net position	\$ 95,834	\$ 168,414	\$ (72,580)

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

### Governmental Activities

Governmental activities decreased the Assessor's net position by \$72,580. Key elements of this decrease are as follows:

#### Condensed Changes in Net Position

	<u>Year Ended December 31,</u>		<u>Dollar</u>	<u>Total</u>
	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>Percentage</u>
				<u>Change</u>
Revenues:				
Ad valorem taxes	\$ 574,828	\$ 581,472	\$ (6,644)	(1.14)
Intergovernmental	34,230	34,347	(117)	(0.34)
Interest income	2,932	1,601	1,331	83.14
Other revenue	9,786	9,000	786	8.73
	<u>621,776</u>	<u>626,420</u>	<u>(4,644)</u>	<u>(0.74)</u>
Total revenues				
Expenses:				
General and governmental	<u>694,356</u>	<u>665,269</u>	<u>29,087</u>	4.37
Decrease in net position	(72,580)	(38,849)	(33,731)	(86.83)
Net position, beginning of year	<u>168,414</u>	<u>207,263</u>	<u>(38,849)</u>	<u>(18.74)</u>
Net position, end of year	<u>\$ 95,834</u>	<u>\$ 168,414</u>	<u>\$ (72,580)</u>	<u>(43.10)</u>

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Assessor uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The focus of the Assessor's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Assessor's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending as of December 31, 2017. As of December 31, 2017, the Assessor's governmental fund, the General Fund, reported an ending fund balance of \$794,862, a decrease of \$31,880 in comparison with the prior year. An unassigned fund balance of \$787,703 is available for spending at the Assessor's discretion. The remainder of fund balance is nonspendable to indicate that it is not available for new spending because it has already been committed for insurance.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)**

**General Fund Budgetary Highlights**

The budget was amended once during the year. The primary reason for amending the budget was the result of obtaining more accurate information on revenue and expenditures. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- Decreasing ad valorem taxes by approximately \$5,000.
- Increasing state revenue sharing by approximately \$3,300.
- Decreasing reimbursement due from St. Bernard Parish Government by \$25,000 to account for cost reimbursement funding due to the Assessor's office.
- Increasing interest income by approximately \$1,500.
- Decreasing other revenue by approximately \$3,000.

Expenditures

- Decreasing retirement expense by approximately \$3,600 and hospitalization expense by approximately \$1,200 to reflect actual balances.
- Decreasing accounting fees by approximately \$19,000 to reflect actual balances.
- Increasing various computer software servicers by approximately \$23,600 to reflect actual balances.

During the year, revenues were higher than budgetary estimates by approximately \$5,000 and expenditures were lower than budgetary estimates by approximately \$10,300.

**CAPITAL ASSETS**

**Capital Assets**

The Assessor's investment in capital assets for its governmental activities as of December 31, 2017, totaled \$41,200 (net of accumulated depreciation). This investment in capital assets includes office furniture, fixtures, and equipment.

	<u>December 31,</u>	
	<u>2017</u>	<u>2016</u>
Office furniture, fixtures, and equipment	<u>\$ 142,369</u>	<u>\$ 142,653</u>

Additional information on the Assessor's capital assets can be found in Note 6 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Assessor typically considers the following factors and indicators when setting the next year's budget, rates, and fees. These factors and indicators are as follows:

- Revenues are budgeted based on the assumption that ad valorem taxes will slightly increase.
- Expenses were budgeted based on the assumption that certain expenses would increase in 2018 related to employment benefits.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Assessor's finances for all those with an interest in the Assessor's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Jaylynn Bergeron Turner, Assessor, Parish of St. Bernard, 2118 Jackson Blvd., Suite A, Chalmette, Louisiana 70043.

**STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUND BALANCE SHEET**

**St. Bernard Parish Assessor**

Chalmette, Louisiana

December 31, 2017

	General Fund	Adjustments (Exhibit B)	Statement of Net Position
<b>Assets</b>			
Cash	\$ 262,804		\$ 262,804
Due from St. Bernard Parish Sheriff	535,758		535,758
Prepaid expenses	7,159		7,159
Capital assets, net of accumulated depreciation		\$ 41,200	41,200
Total assets	805,721	41,200	846,921
<b>Deferred Outflows of Resources</b>			
		123,989	123,989
Total assets and deferred outflows of resources	\$ 805,721	165,189	970,910
<b>Liabilities</b>			
Accounts payable and accrued expenditures	\$ 8,468		8,468
Other liabilities	2,391		2,391
Net pension liability		142,133	142,133
Unfunded other post-employment benefit obligations		627,835	627,835
Total liabilities	10,859	769,968	780,827
<b>Deferred Inflows of Resources</b>			
		94,249	94,249
Total liabilities and deferred inflows of resources	10,859	864,217	875,076
<b>Fund Balance/Net Position</b>			
Fund balance:			
Nonspendable	7,159	(7,159)	-
Unassigned	787,703	(787,703)	-
Total fund balance	794,862	(794,862)	-
Total liabilities and fund balance	\$ 805,721	69,355	875,076
<b>Net position:</b>			
Net invested in capital assets		41,200	41,200
Unrestricted		54,634	54,634
Total net position		\$ 95,834	\$ 95,834

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**St. Bernard Parish Assessor**  
Chalmette, Louisiana

December 31, 2017

<b>Fund Balance - Governmental Fund</b>		<b>\$ 794,862</b>
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund:		
Governmental capital assets	\$ 142,369	
Less accumulated depreciation	<u>(101,169)</u>	41,200
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds		
		123,989
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the General Fund:		
Net pension liability	(142,133)	
Other post-employment benefit obligations	<u>(627,835)</u>	(769,968)
Deferred inflow of resources are not due and payable in the current period and, therefore, are not reported in governmental funds		
		<u>(94,249)</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 95,834</u></b>

See notes to financial statements.



**STATEMENT OF ACTIVITIES AND STATEMENT OF  
GOVERNMENTAL FUND REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE**

**St. Bernard Parish Assessor**  
Chalmette, Louisiana

For the year ended December 31, 2017

	General Fund	Adjustments (Exhibit D)	Statement of Activities
<b>Revenues</b>			
Ad valorem	\$ 574,828		\$ 574,828
Intergovernmental - State of Louisiana - State revenue sharing	7,043		7,043
St. Bernard Parish Government - cost reimbursement	27,187		27,187
Interest income	2,932		2,932
Other revenue	9,786		9,786
	<u>621,776</u>		<u>621,776</u>
<b>Expenditures</b>			
Current:			
General government:			
Personal services	503,136	\$ 24,258	527,394
Other services and charges	122,924		122,924
Materials and supplies	26,928		26,928
Depreciation		17,110	17,110
	<u>652,988</u>	<u>41,368</u>	<u>694,356</u>
Total general government			
Capital outlay	668	(668)	
	<u>653,656</u>	<u>40,700</u>	<u>694,356</u>
Total expenditures			
<b>Excess of Expenditures Over Revenues</b>	(31,880)	31,880	
<b>Change in Net Position</b>		<u>(72,580)</u>	<u>(72,580)</u>
	<u>(31,880)</u>	<u>(40,700)</u>	<u>(72,580)</u>
<b>Fund Balance/Net Position</b>			
Beginning of year	826,742	(658,328)	168,414
End of year	<u>\$ 794,862</u>	<u>\$ (699,028)</u>	<u>\$ 95,834</u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL  
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE TO THE STATEMENT OF ACTIVITIES**

**St. Bernard Parish Assessor**  
Chalmette, Louisiana

For the year ended December 31, 2017

**Net Change in Fund Balance - Governmental Fund** **\$ (31,880)**

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

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense, and the net book value of any disposed assets is recorded as a loss on the disposal of assets:

Capital outlay	\$ 668	
Depreciation expense	<u>(17,110)</u>	(16,442)

Net pension expense is reported in governmental funds as expenditures as they are paid, however, in the Statement of Activities the net pension expense is reported according to estimates required by GASB 68:

Pension expenses paid	35,561	
GASB 68 adjustment	<u>(4,657)</u>	

Pension expenses per GASB 68		30,904
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Some expenses reported in the Statement of Activities do not require the use of current fiscal resources and, therefore, are not reported as expenditures in the General Fund:

Net change in other post-employment benefit obligations		<u>(55,162)</u>
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**Change in Net Position of Governmental Activities** **\$ (72,580)**

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****St. Bernard Parish Assessor**

Chalmette, Louisiana

December 31, 2017

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the assessors are elected by the voters of each parish, (except Orleans Parish), and serve terms of four years. The assessor assesses property, prepare tax rolls, and submit the rolls to the Louisiana Tax Commission as prescribed by law.

The St. Bernard Parish Assessor is a separately elected official and is not included as a component unit in any other financial statements.

The accounting policies of the St. Bernard Parish Assessor (the "Assessor") conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

**a. Reporting Entity**

The Assessor has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

The Assessor is an independently elected official and is not considered fiscally dependent on the St. Bernard Parish Council (the "Parish Council"). As the governing authority of the Parish, for reporting purposes, the St. Bernard Parish Council is the financial reporting entity for the St. Bernard Parish. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable; and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a. Reporting Entity (Continued)**

The GASB established criteria for determining which component units should be considered part of the St. Bernard Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. the ability of the Parish Council to impose its will on that organization and/or,
  - b. the potential for the Assessor to provide specific financial benefits to or impose specific financial burdens on the Parish Council.
2. Organizations for which the Parish Council does not appoint a voting majority but are fiscally dependent on the Parish Council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the Assessor is not included because of the nature or significance of the relationship.

Because the Parish Council does not appoint the Assessor, does not provide funding (other than the use of facilities), or have any control over the Assessor, the Assessor has determined that the office is not a component unit of the St. Bernard Parish Council. The accompanying financial statements present information only on the funds maintained by the Assessor and do not present information on the Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity of St. Bernard Parish.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b. Basis of Presentation**

The Assessor's basic financial statements consist of the government-wide statements on all activities of the Assessor and the governmental fund financial statements.

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the Assessor. The government-wide presentation focuses primarily on the sustainability of the Assessor as an entity and the change in aggregate financial position resulting from the activities for the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of GASB Statement No. 34. Emphasis is now on the major funds. The daily accounts and operations of the Assessor continue to be organized on the basis of a fund and accounts group, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the governmental fund of the Assessor:

**General Fund**

The General Fund, as provided by Louisiana Revised Statute 47:1906 is the operating fund and is the only fund of the Assessor. It is used to account for all financial resources except those that are required to be accounted for in another fund. The General Fund is always a major fund.

**c. Measurement Focus and Basis of Accounting**

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

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Measurement Focus and Basis of Accounting (Continued)**

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the Assessor considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Miscellaneous revenues are recorded as revenues when received in cash by the Assessor because they are generally not measurable until actually received.

Ad valorem taxes are assessed for the calendar year and become due on December 31<sup>st</sup> of each year. Ad valorem tax revenue authorized by Act 292 of 1985 is accounted for in this fund. Ad valorem taxes are recognized as revenue in the year for which levied; thus, the property taxes which are being levied to finance the current year budget are recognized as revenue in the current year. State revenue sharing is an arrangement whereby local governments are reimbursed by the State for ad valorem taxes not billed due to the homestead exemption. The Assessor received \$7,043 from state revenue sharing for the year ended December 31, 2017.

Interest income on cash balances is recorded when the income is available.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Measurement Focus and Basis of Accounting (Continued)**

Fund Financial Statements: (Continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

**d. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**e. Operating Budgetary Data**

As required by the Louisiana Revised Statutes 39:1303, the Assessor adopted a budget for its General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings of the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Assessor. The Assessor amended its budget once during 2017. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

**f. Receivables**

The financial statements of the Assessor contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available, which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the fund.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**g. Prepaid Expenses**

Payments made to vendors for the general insurance that will benefit periods beyond December 31, 2017 are recorded as prepaid expenses. These amounts are equally offset by a fund balance classification of nonspendable which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

**h. Capital Assets and Depreciation**

The accounting treatment over plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, property and equipment are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

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

Office furniture, fixtures, and equipment	3 - 10 years
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Fund Financial Statements:

In the fund financial statements, the cost of capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.



**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

**j. Pensions**

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

All information presented in Note 8 is based on the Fund year ended September 30, 2017.

**k. Vacation and Sick Leave**

Employees of the Assessor's office earn two to three weeks of vacation leave each year, depending on their years of service. Vacation leave cannot be carried forward to succeeding years. There is no formal policy regarding sick leave.

The cost of leave privileges is recognized as current year expenditure in the General Fund when leave is actually taken. As of December 31, 2017, there are no accumulated and vested benefits relating to compensated absences.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**1. Fund Equity**

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

1. Invested in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation.
2. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets".

When both restricted and unrestricted resources are available for use, it is the Assessor's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2017 and for the year then ended, the Assessor did not have or receive restricted net assets.

Fund Financial Statements:

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

**Nonspendable** - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** - amounts that can be spent only for a specific purpose because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributions, or the laws or regulations of other governments. There was no restricted equity as of December 31, 2017.

**Committed** - amounts that can be used only for specific purposes determined by a formal decision of the Assessor. There was no committed equity as of December 31, 2017.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**l. Fund Equity (Continued)**

Fund Financial Statements: (Continued)

**Assigned** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for a specific purposes. There was no assigned equity as of December 31, 2017.

**Unassigned** - all other amounts not included in other spendable classifications.

For classification of Governmental Fund balances, the Assessor considers an expenditure to be made from the most restrictive first when more than one classification is available. The Assessor's fund balance as of December 31, 2017 totaled \$794,862 of which \$787,703 was classified as unassigned and \$7,159 was classified as nonspendable as this balance related to prepaid expenses.

**m. New Pronouncements**

During the year ended December 31, 2017, the Assessor implemented the following GASB statements:

Statement No. 74, *"Financial Reporting for Postemployment Benefit Plans other than Pension Plans"* addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria and follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments and also sets forth note disclosure requirements for defined contribution OPEB plans. This statement did not affect the Assessor's financial statements.

Statement No. 78, *"Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans"* amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3)

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m. New Pronouncements (Continued)**

has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This Statement did not affect the Assessor's financial statements.

Statement No. 79, "*Certain External Investment Pools and Pool Participants*" establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement also establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost. This Statement did not affect the Assessor's financial statements.

Statement No. 80, "*Blending Requirement for Certain Component Units*" improves financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. This requirement enhances comparability and decision usefulness of financial statements among governments. This statement did not affect the Assessor's financial statements.

Statement No. 81, "*Irrevocable Split Interest Agreements*" provides recognition and measurement guidance for situation in which a government is a beneficiary of an irrevocable split interest agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split interest agreement recognize assets, liabilities and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in agreements administered by third parties. Governments are required by this Statement to recognize revenue when the resources become applicable to the reporting period. This Statement enhances comparability and decision usefulness of financial statements among governments. This statement did not affect the Assessor's financial statements.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m. New Pronouncements (Continued)**

Statement No. 82, "*Pension Issues*" addresses several issues raised with respect to Statements No. 67, "*Financial Reporting for Pension Plans*," No. 68, "*Accounting and Financial Reporting for Pensions*," and No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*." Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes; and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This statement did not affect the Assessor's financial statements.

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 75, "*Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*" replaces the requirements of GASB Statement No. 45. This Statement requires governments to report a liability on the face of the financial statements for the OPEB that they provide: governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability, governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan and governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability to their employees. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 83, "*Certain Asset Retirement Obligations*" addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m. New Pronouncements (Continued)**

timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 84, "*Fiduciary Activities*" improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 85, "*Omnibus 2017*." On March 20, 2017, GASB issued "*Omnibus 2017*" covering four main topics: blending component units; goodwill, fair value measurement and application; and postemployment benefits. "*Omnibus 2017*" is effective for fiscal years beginning after June 15, 2017. However, due to the nature of topic covered, GASB is allowing the option of early implementation for single topics. Management has not yet determined the effect of this Statement on the financial statements.

**n. Subsequent Events**

The Assessor evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through May 22, 2018, which is the date the financial statements were available to be issued.

**Note 2 - DEPOSITS**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investment contracts and investment grade (A-1/P-2) commercial paper of domestic corporations.

**Bank Deposits:**

State law requires deposits (cash) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes Federal Deposit Insurance Corporation (FDIC) insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision, or with an unaffiliated bank, or with a trust company for the account of the political subdivision.

The bank balance as of December 31, 2017 is as follows:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	<u>\$ 264,116</u>	<u>\$ 262,804</u>

Custodial credit risk is the risk that in the event of a bank failure, the Assessor's deposits may not be returned to it. The Assessor has a written policy for custodial credit risk. As of December 31, 2017, \$14,116 of the Assessor's bank balances of \$264,116 was exposed to custodial credit risk because it was insured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name.

As of December 31, 2017, cash was adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of the Assessor. GASB considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

**Note 3 - PROPERTY TAXES**

Property taxes are typically levied each November 1 on the assessed value listed as of the prior January 1<sup>st</sup> for all property, merchandise, and movable property located in the Parish. Assessed values are established by the St. Bernard Parish Assessor's Office and State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation of property was completed during 2016. Taxes are due and payable December 31<sup>st</sup>, with interest being charged on payments after January 1<sup>st</sup>. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold at the amount of the taxes. The tax rate for the year ended December 31, 2017 was \$1.86 per \$1,000 of assessed valuation of property within St. Bernard Parish for the purpose of assessing property, preparing tax rolls, and submitting the rolls to the Louisiana Tax Commission. As indicated in Note 1c, taxes levied November 1, 2016 are for budgeted expenditures in 2017 and is recognized as revenue in 2017.

The Assessor's office is located in St. Bernard Parish in Chalmette, Louisiana. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1<sup>st</sup> of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission, as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector, who is responsible for the collection and distribution of taxes to the various taxing bodies.

As of December 31, 2017, there are 24,505 real property and movable property assessments totaling \$195,580,993 and \$181,614,308, respectively. This represents an increase of 3,041 assessments and a decrease in property assessments of \$1,812,129 from the prior year.

The following are the principal taxpayers for the Parish with assessed valuation in excess of \$3.7 million:



**Note 3 - PROPERTY TAXES (Continued)**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2017 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Chalmette Refining, L.L.C.	Oil	\$ 37,624,034	9.97
Valero Refining	Oil	29,105,916	7.72
Colonial Pipeline Co.	Oil	22,314,030	5.92
American Sugar/Domino	Sugar	14,856,676	3.94
Southern Natural Gas Co.	Utility	13,244,110	3.51
Entergy Louisiana, Inc.	Utility	12,340,860	3.27
Moem Pipeline, L.L.C.	Oil	4,704,150	1.25
Tennessee Gas Pipeline Co.	Oil	4,662,780	1.24
Totals		<u>\$ 138,852,556</u>	<u>36.82</u>

**Note 4 - DUE FROM ST. BERNARD PARISH SHERIFF**

Amounts due from St. Bernard Parish Sheriff as of December 31, 2017 consisted of ad valorem taxes collected by the St. Bernard Parish Sheriff in December 31, 2017 but not remitted to the Assessor until the beginning of the following year. The balance due as of December 31, 2017 was \$535,758.

**Note 5 - STATE REVENUE SHARING**

State revenue sharing is an arrangement whereby local governments are reimbursed by the State for ad valorem taxes not billed due to the homestead exemption. State revenue sharing revenue of \$7,043 was recognized for the year ended December 31, 2017. The majority of state revenue sharing revenue was allocated by the state to other St. Bernard Parish governmental entities.

**Note 6 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2017 was as follows:

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance December 31, 2017</u>
Capital assets being depreciated:				
Office furniture, fixtures, and equipment	\$ 142,653	\$ 668	\$ (952)	\$ 142,369
Less accumulated depreciation for:				
Office furniture, fixtures, and equipment	<u>(85,011)</u>	<u>(17,110)</u>	<u>952</u>	<u>(101,169)</u>
Total capital assets, net	<u>\$ 57,642</u>	<u>\$ (16,442)</u>	<u>\$ -</u>	<u>\$ 41,200</u>

**Note 7 - COMMITMENTS**

The Assessor entered into an operating lease agreement for equipment in January 2016. The lease is for four years, with monthly lease payments of \$1,080 expiring in December 2019.

Minimum future lease payments as of December 31, 2017 are as follows:

<u>Year Ending December 31,</u>	
2018	\$ 12,960
2019	<u>12,960</u>
Total	<u>\$ 25,920</u>

Lease expense totaled \$12,962 for the year ended December 31, 2017.

The Assessor entered into a contract for professional appraisal consulting services in November 2016, the agreement is for two years, with semi-annual payments of \$17,900. Minimum future payments for this contract is \$35,800 for the year ending December 31, 2018.

**Note 8 - RETIREMENT PLANS**

*Plan Description.* The Assessor contributes to the Louisiana Assessor's Retirement Fund ("Fund"), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS), which is controlled and administered by a separate Board of Trustees.

Act 91 of the 1950 Louisiana Legislative Session established the plan. Provisions of the plan are set forth in the Louisiana Revised Statutes 11:1401 through 11:1483. The Fund issues a publicly available financial report that includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to Louisiana Assessor's Retirement Fund, P.O. Box 14699, Baton Rouge, Louisiana, 70898-4699.

*Benefits Provided.* The Fund provides retirement, deferred retirement, disability, and death benefits. Employees who were hired before October 1, 2013, will be eligible for pension benefits once they have either reached the age of 55 and have at least 12 years of service or have at least 30 years of service, regardless of age. Employees who were hired on or after October 1, 2013, will be eligible for pension benefits once they have either reached the age of 60 and have at least 12 years of service or have reached the age of 55 and have at least 30 years of service.

Employees who became members prior to October 1, 2006, are entitled to annual pension benefits equal to 3.33% of their average final compensation based on the 36 consecutive months of highest pay, multiplied by their total years of service, not to exceed 100% of final compensation. Employees who become members on or after October 1, 2006 will have their benefit based on the highest 60 months of consecutive service. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

In lieu of terminating employment and accepting a service retirement, any member of the plan who is eligible to retire may elect to participate in the Back-Deferred Retirement Option Plan (Back-DROP) in which they are enrolled for three years and defer the receipt of benefits. During the 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 Back-DROP fund. The election to participate in Back-DROP is irrevocable once participation begins. The Board of Trustees shall award disability benefits to eligible members who have been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of the Plan shall be paid a disability benefit equal to the greater of 45 percent of final average compensation, or the member's accrued retirement benefit at the time of termination of employment due to disability; or the retirement benefit which would be payable assuming accrued creditable service plus additional accrued service, if any, to the earliest normal retirement age based

**Note 8 - RETIREMENT PLANS (Continued)**

on final average compensation at the time of termination of employment due to disability. Death benefits are payable to eligible surviving dependents based on the deceased member's years of creditable service and compensation and the dependent's relationship to the deceased member. The System provides permanent benefit increases, cost of living adjustments (COLA) as approved by the State Legislature.

*Contributions.* According to state statute, contributions for all employers are actuarially determined each year. The actuarially determined employer contribution rate was 4.69% of member's compensation. However, the actual rate was 10.0% through September 2017. The minimum direct employer actuarially required contribution will be 5.25% for the fiscal year 2018.

Contributions to the Fund from the St. Bernard Parish Assessor were \$35,561.

*Pension Liabilities.* The St. Bernard Parish Assessor reported a liability of \$142,133 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of September 30, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The St. Bernard Parish Assessor's proportion of the Net Pension Liability was based on a projection of the St. Bernard Parish Assessor's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The St. Bernard Parish Assessor's proportion was .810009%, which was a decrease of .031368% from its proportion measure from the prior year.

*Pension Expense.* The St. Bernard Parish Assessor recognized a GASB 68 pension adjustment of (\$4,657) and pension expense of \$30,904.

*Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* The St. Bernard Parish Assessor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Note 8 - RETIREMENT PLANS (Continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 15,842	\$ (31,048)
Change of assumptions	67,941	-
Net difference between projected and actual earnings on pension plan investments	6,846	(55,001)
Changes in proportion and differences between Assessor's contributions and proportionate share of contribution	17,610	(8,200)
Assessor's contributions subsequent to the measurement date	<u>15,750</u>	<u>-</u>
	<u><u>\$ 123,989</u></u>	<u><u>\$ (94,249)</u></u>

The St. Bernard Parish Assessor reported \$15,750 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the following year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 20,681
2019	21,072
2020	(24,925)
2021	(11,933)
2022	<u>9,095</u>
Total	<u><u>\$ 13,990</u></u>

**Note 8 - RETIREMENT PLANS (Continued)**

*Actuarial Assumptions.* A summary of the actuarial methods and assumptions used in determining the total pension liability are as follows:

<b>Valuation Date</b>	September 30, 2017
<b>Actuarial Cost Method</b>	Entry Age Method
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining Service Lives</b>	6 years
<b>Investment Rate of Return</b>	6.75%, net of investment expense
<b>Projected Salary Increases</b>	8.25% (2.50% inflation, 5.75% merit)
<b>Annuitant and Beneficiary Mortality</b>	RP-2000 Health Annuitant Table set forward one year and projected to 2030 for males and females.
<b>Active Members Mortality</b>	RP-2000 Employee Table set back four years for males and three years for females.
<b>Disabled Lives Mortality</b>	RP-2000 Disabled Lives Mortality Tables set back five years for males and three years for females.
<b>Cost of Living Adjustments</b>	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The long-term expected rate of return on pension plan investments was determined using a triangulation method 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. The long term expected rate of return was 6.75%. The best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized in the following table:

**Note 8 - RETIREMENT PLANS (Continued)**

Asset Class	Target Allocation
Total fixed income	35.00%
Large Core	20.00%
All Cap Value	12.50%
All Cap Growth	12.50%
Europacific Growth Fund	6.30%
TS & W Int LC	6.20%
Total alternatives	5.00%
SSGA ACWI ex USA Index Fund	2.50%
Total	100.00%
	Long-Term Expected Real Rate of Return
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real estate	4.50%
Alternative assets	6.24%

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75%. 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 of the Fund. Based on those assumptions, the Fund'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.

**Note 8 - RETIREMENT PLANS (Continued)**

*Sensitivity of the Assessor's Proportionate Share of the Collective 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 6.75%, 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 (5.75%) or one-percentage point higher (7.75%) than the current rate:

	<u>1.0% Decrease 5.75%</u>	<u>Current Discount Rate 6.75%</u>	<u>1.0% Increase 7.75%</u>
Assessor's proportionate share share of the net pension liability	<u>\$481,977</u>	<u>\$142,133</u>	<u>(\$149,203)</u>

*Pension Plan Fiduciary Net Position.* The Fund has issued a stand-alone audit report on its financial statements. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.la.gov](http://www.la.la.gov).

**Note 9 - POST-EMPLOYMENT BENEFITS**

**Plan Description** -The Assessor's medical and life insurance benefits are provided through a State of Louisiana sponsored plan and are made available to employees upon retirement. An employee is eligible to elect medical and insurance coverage upon retiring. Eligibility for retiree medical and insurance coverage is available to employees over 55 years of age and who have accumulated over 20 years of service and for an employee of any age if they have 30 years or more of service. Complete plan provisions are included in the official plan documents. It is assumed that 100% of employees who elect coverage while in active employment and who are eligible for retiree medical and insurance benefits will elect continued coverage upon retirement. For those who elect coverage, it is also assumed that they will continue to be covered by the same plan as retirees as when they were active.

For active and retirees, the life insurance coverage amount provided by the Assessor and their annual premium was calculated on an individual basis. Life insurance premiums for retiree coverage are \$.451/month/unit of coverage for 2017. The Assessor covers 100% of the premium amount.



**Note 9 - POST-EMPLOYMENT BENEFITS (Continued)**

After analysis of historical retirement age and service patterns, the retirement assumption is as follows:

<u>Age</u>	<u>Retirement Rate</u>
46 - 49	22%
50 - 54	44%
55 - 57	4%
58 - 62	18%
63+	28%

**Contribution Rates** - Employees do not contribute to any post-employment benefit costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

**Funding Policy** - Prior to January 1, 2009, the Assessor recognized the cost of providing post-employment benefits medical and life benefits (the Assessor's portion of the medical and life insurance premiums paid on behalf of retirees) as an expense when the benefit premiums were due and thus financed the cost of post-employment benefits on a "pay as you go" basis. As of December 31, 2017, there were five active employees and five retirees eligible to receive benefits. In 2017, the Assessor's portion of the medical and insurance cost totaled \$77,903, including \$17,353 for current retirees.

The Assessor has implemented GASB 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*. The actuarially determined cost information presented under GASB 45 was prepared by an actuary whose report dated April 21, 2017 stated that reliance was placed on employee census information provided by the Assessor.

The Assessor's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which is being implemented for the year ended December 31, 2017. The ARC is the sum of the normal cost plus the contribution to amortize Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum allowed under GASB 45) has been used for the post-employment benefits. The total ARC for the year beginning January 1, 2016 is \$85,593.

**Note 9 - POST-EMPLOYMENT BENEFITS (Continued)**

	Medical and Life
Normal cost	\$ 49,469
Amortization amount	36,124
Annual Required Contribution (ARC)	\$ 85,593

**Net Post-employment Benefit Obligation** - GASB 45 was implemented prospectively with zero net obligations at transition. The Assessor's annual OPEB cost (expense) is calculated based on the ARC of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. 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 30 years. The table below shows the Assessor's Net Other Post-employment Benefit Obligation (OPEB) for the fiscal year ended December 31, 2017. This amount is included in non-current liabilities on the Statement of Net Assets.

	Medical and Life
Beginning net OPEB obligation as of January 1, 2017	\$ 572,673
Annual Required Contribution (ARC)	85,593
Interest on prior year net OPEB obligation	20,444
Adjustments to ARC	(33,522)
Annual OPEB cost	72,515
Contributions made	(17,353)
Change in OPEB obligation	55,162
Ending net OPEB obligation as of December 31, 2017	\$ 627,835

**Note 9 - POST-EMPLOYMENT BENEFITS (Continued)**

The following table shows the Assessor's annual OPEB cost, percentage of the cost contributed, and the net unfunded OPEB liability:

<u>Fiscal Year End</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability</u>
December 31, 2017	\$72,515	23.9%	\$627,835
December 31, 2016	\$72,515	22.0%	\$572,673
December 31, 2015	\$74,083	10.5%	\$516,125

**Funded Status and Funding Progress** - In the year ending December 31, 2017, the Assessor made no contributions to its post-employment benefits plan. The plan was not funded, has no assets, and has a funded ratio of 0.0%. As of April 21, 2017, the most recent actuarial valuation, the AAL was \$550,794 for medical, dental, and life, which is defined as that portion, as determined by a particular actuarial cost method (the Assessor uses the projected Unit Cost Credit Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost. Since the plan is not funded in the year ended December 31, 2017, the Unfunded Actuarial Accrued Liability (UAAL) for medical, dental, and life was \$550,794.

	<u>Medical and Life</u>
Actuarial Accrued Liability (AAL)	\$ 550,794
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 550,794</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	<u>\$ -</u>
Covered Payroll	<u>\$ 357,488</u>
UAAL as a Percentage of Covered Payroll	<u>154%</u>

**Note 9 - POST-EMPLOYMENT BENEFITS (Continued)**

**Actuarial Methods and Assumptions** - Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding 1) turnover rate; 2) retirement rate; 3) health care cost trend rate; 4) mortality rate; 5) discount rate (investment return assumption); and 6) the period to which the costs apply (past, current, or future years of service by employees). Actuarial determined amounts are subject to continued revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the Assessor's benefit plan at the time of the valuation. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of any future legal or contractual funding limitations.

**Actuarial Cost Method** - The ARC is determined using the Unit Credit Actuarial Cost Method. The employer portion of the cost is derived by making certain specific assumptions as to the rates of interest, mortality, turnover which are assumed to hold for many years into the future. Since actual experience may differ from the long-term assumptions, the costs determined by the valuation must be regarded as estimates of true costs of the plan.

**Actuarial Value of Plan Assets** - There are no assets in the plan.

**Post-employment Benefit Plan Eligibility Requirements** - It has been assumed that entitlement to benefits will commence upon the eligibility provisions described above and contained in the official plan documents.

**Investment Return Assumption (Discount Rate)** - GASB 45 states that the investment return should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long-term return of a balanced and conservative portfolio under professional management.

**Note 9 - POST-EMPLOYMENT BENEFITS (Continued)**

**Health Care Cost Trend Rate** - The expected rate of increase in medical and pharmacy costs, dental costs, and retiree premiums are summarized as follows:

<u>Year</u>	<u>Pre-65 Medical</u>	<u>Year</u>	<u>Post-65 Medical</u>	<u>Year</u>	<u>Dental</u>
2018	5.20%	2018	5.20%	2018-2098	4.74%
2019	5.70%	2019	5.10%	2099+	4.14%
2020	5.40%	2020-2029	5.20%		
2021-2022	5.50%	2030-2036	5.30%		
2023	5.60%	2037	5.20%		
2024	6.00%	2038-2098	5.10%		
2025	5.90%	2099+	4.60%		
2026-2027	6.00%				
2028-2029	5.90%				
2030-2035	6.10%				
2036	6.00%				
2037	5.90%				
2038-2098	5.80%				
2099+	4.40%				

A zero trend has been assumed for valuing life insurance.

**Mortality Rate** - The mortality rates used to calculate the actuarial valuation were as follows:

Pre-retirement: Sex Distinct RP-2000 combined Healthy Mortality Table projected to 2017 using Scale AA.

Post-retirement: Sex Distinct RP-2000 combined Healthy Mortality Table projected to 2017 using Scale AA.

**Method of Determining Value of Benefits** - The "value of benefits" has been assumed to be the portion of the premium after retirement date to be paid by the Assessor for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The rates provided are "blended rates" for active and retired employees based on plan experience. It is assumed that 100% of retiring employees would elect continued medical and life insurance coverage and 80% of members electing coverage are assumed to also elect coverage for a spouse.

**Note 10 - STATE OF LOUISIANA TAX ABATEMENT**

Assessor property tax revenues were reduced for the year December 31, 2017 by \$182,076 under the Louisiana Industrial Ad Valorem Tax Exemption Program and the Restoration Tax Abatement program which were entered into by the State of Louisiana.

**Note 11 - RISK MANAGEMENT**

The Assessor is exposed to various risks of loss related to workers compensation; torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Assessor carries commercial insurance. No settlements were made during the year that exceeded the Assessor's insurance coverage.

**Note 12 - EXPENDITURES NOT INCLUDED IN THE ACCOMPANYING FINANCIAL STATEMENTS**

The accompanying financial statements do not include certain expenditures related to the use of facilities of the Assessor's office paid out of the funds of the St. Bernard Parish Government.

**SUPPLEMENTARY INFORMATION**

**STATEMENT OF GOVERNMENTAL FUND REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND**

**St. Bernard Parish Assessor**  
Chalmette, Louisiana

For the year ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Ad valorem taxes	\$ 585,000	\$ 580,000	\$ 574,828	\$ (5,172)
Intergovernmental -				
State of Louisiana -				
State revenue sharing	3,700	7,043	7,043	-
St. Bernard Parish Government -				
cost reimbursement	45,000	20,000	27,187	7,187
Interest income	1,330	2,850	2,932	82
Other revenue	9,000	6,786	9,786	3,000
	<u>644,030</u>	<u>616,679</u>	<u>621,776</u>	<u>5,097</u>
<b>Expenditures</b>				
Current:				
General government:				
Personal services	508,007	503,234	503,136	98
Other services and charges	148,375	127,789	122,924	4,865
Materials and supplies	6,500	29,343	26,928	2,415
Total general government	662,882	660,366	652,988	7,378
Capital outlay	-	1,100	668	432
Total expenditures	<u>662,882</u>	<u>661,466</u>	<u>653,656</u>	<u>7,810</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(18,852)	(44,787)	(31,880)	<u>\$ 12,907</u>
<b>Net Position</b>				
Beginning of year	<u>875,510</u>	<u>826,742</u>	<u>826,742</u>	
End of year	<u>\$ 856,658</u>	<u>\$ 781,955</u>	<u>\$ 794,862</u>	



**NOTE TO REQUIRED SUPPLEMENTARY  
INFORMATION - BUDGETARY REPORTING**

**St. Bernard Parish Assessor**  
Chalmette, Louisiana

For the year ended December 31, 2017

The Assessor adheres to the following procedures to establish the budgetary data reflected in the financial statements.

**Budgetary Information**

As required by the L.R.S. 39:1301-1315, the Assessor adopted a budget for its General Fund for the year ended December 31, 2017 and it was made available for public inspection at the Assessor's office on November 25, 2016. The proposed budget was prepared on the modified accrual basis of accounting, and was published in the official journal on November 25, 2016. The budget hearing was held at the Assessor's office on December 6, 2016. The budget is legally adopted and amended, as necessary, by the Assessor. The budget for the year ended December 31, 2017 was amended once and was made available for public inspection at the Assessor's office on November 24, 2017. The budget was published in the official journal on November 24, 2017. The budget hearing was held at the Assessor's office on December 5, 2017. All appropriations lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

**SCHEDULE OF THE ASSESSOR'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY**

**St. Bernard Parish Assessor**  
Chalmette, Louisiana

December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Assessor's proportion of the net pension liability	<u>0.810009%</u>	<u>0.778641%</u>	<u>0.720690%</u>
Assessor's proportionate share of the net pension liability	<u>\$142,133</u>	<u>\$274,759</u>	<u>\$393,653</u>
Assessor's covered-employee payroll	<u>\$355,612</u>	<u>\$338,999</u>	<u>\$302,830</u>
Assessor's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>39.9686%</u>	<u>81.0501%</u>	<u>129.9920%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>95.61%</u>	<u>90.68%</u>	<u>85.57%</u>

**SCHEDULE OF ASSESSOR'S CONTRIBUTIONS****St. Bernard Parish Assessor**  
Chalmette, Louisiana

For the year ended December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 35,561	\$ 45,765	\$ 40,882
Contributions in relation to the contractually required contribution	<u>(35,561)</u>	<u>(45,765)</u>	<u>(40,882)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessor's covered-employee payroll	<u>\$ 355,612</u>	<u>\$ 338,999</u>	<u>\$ 302,830</u>
Contributions as a percentage of covered - employee payroll	<u>10.00%</u>	<u>13.50%</u>	<u>13.50%</u>

**STATEMENTS OF FUNDING PROGRESS FOR OPEB PLAN****St. Bernard Parish Assessor**  
Chalmette, Louisiana

For the year ended December 31, 2017

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL) (b-a)</u>	<u>Funded Ratio (Actuarial Value of (a/b))</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
12/31/17	<u>\$ -</u>	<u>\$ 550,794</u>	<u>\$ 550,794</u>	<u>\$ -</u>	<u>\$ 357,488</u>	<u>154%</u>
12/31/16	<u>\$ -</u>	<u>\$ 550,794</u>	<u>\$ 550,794</u>	<u>\$ -</u>	<u>\$ 355,524</u>	<u>155%</u>
12/31/15	<u>\$ -</u>	<u>\$ 550,794</u>	<u>\$ 550,794</u>	<u>\$ -</u>	<u>\$ 297,791</u>	<u>185%</u>

**SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO AGENCY HEAD**

**St. Bernard Parish Assessor**  
Chalmette, Louisiana

For the year ended December 31, 2017

**Agency Head Name:** Ms. Jaylynn Bergeron Turner, Assessor St. Bernard Parish

**Purpose**

Salary	\$ 144,976
Benefits - insurance	21,127
Benefits - retirement	25,371
Benefits - other	0
Car allowance	0
Vehicle provided by government	18,551
Per diem	0
Reimbursements	0
Travel	1,374
Registration fees	0
Conference travel	0
Continuing professional education fees	1,420
Housing	0
Unvouchered expenses	0
Special meals	0
	<u>0</u>
	<u><u>\$ 212,819</u></u>

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITOR'S REPORT**  
**ON INTERNAL CONTROL OVER FINANCIAL**  
**REPORTING AND ON COMPLIANCE AND OTHER**  
**MATTERS BASED ON AN AUDIT OF FINANCIAL**  
**STATEMENTS PERFORMED IN ACCORDANCE WITH**  
**GOVERNMENT AUDITING STANDARDS**

To the Honorable Jaylynn Bergeron Turner,  
St. Bernard Parish Assessor,  
Chalmette, Louisiana.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of the St. Bernard Parish Assessor (the "Assessor") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements and have issued our report thereon dated May 22, 2018.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be a material weakness 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 Assessor's financial statements are free of 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 Assessor'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 Assessor's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, Louisiana,  
May 22, 2018.



## SCHEDULE OF FINDINGS AND RESPONSES

### St. Bernard Parish Assessor Chalmette, Louisiana

For the year ended December 31, 2017

#### Section I - Summary of Auditor's Results

##### a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified?                     Yes  No
- Significant deficiency(ies) identified that are  
not considered to be a material weakness?             Yes  None reported

Noncompliance material to financial statements noted?     Yes  No

##### b) Federal Awards

The St. Bernard Parish Assessor did not expend Federal awards during the year ended December 31, 2017.

#### Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

##### Internal Control Over Financial Reporting

No material weaknesses were reported during the audit of the financial statements for the year ended December 31, 2017.

No significant deficiencies were reported during the audit of the financial statements for the year ended December 31, 2017.

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters  
Material to the Basic Financial Statements (Continued)**

**Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2017.

**Section III - Federal Award Findings and Questioned Costs**

Not applicable.

**REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

**St. Bernard Parish Assessor**  
Chalmette, Louisiana

For the year ended December 31, 2017

### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**

#### **Internal Control Over Financial Reporting**

No material weaknesses were reported during the audit of the financial statements for the year ended December 31, 2016.

No significant deficiencies were reported during the audit of the financial statements for the year ended December 31, 2016.

#### **Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2016.

### **Section II - Internal Control and Compliance Material to Federal Awards**

The St. Bernard Parish Assessor did not expend Federal awards during the year ended December 31, 2016.

### **Section III - Management Letter**

A management letter was not issued in connection with the audit of the financial statements for the year ended December 31, 2016.

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

**St. Bernard Parish Assessor**  
Chalmette, Louisiana

For the year ended December 31, 2017

### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**

#### **Internal Control Over Financial Reporting**

There were no findings noted during the audit for the year ended December 31, 2017 related to internal control over financial reporting.

#### **Compliance and Other Matters**

There were no findings noted during the audit for the year ended December 31, 2017 related to compliance and other matters.

### **Section II - Internal Control and Compliance Material to Federal Awards**

The St. Bernard Parish Assessor did not expend Federal awards during the year ended December 31, 2017.

### **Section III - Management Letter**

A management letter was not issued in connection with the audit of the financial statements for the year ended December 31, 2017.

**STATEWIDE AGREED UPON PROCEDURES (R.S.24:513)**

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

To the Honorable Jaylynn Bergeron Turner,  
St. Bernard Parish Assessor,  
Chalmette, Louisiana.

We have performed the procedures enumerated below, which were agreed to by the management of St. Bernard Parish Assessor (the "Assessor") and the Louisiana Legislative Auditor (LLA), solely to assist the specified users of the report in evaluating management's assertions about the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) accompanying the annual financial statements of the Assessor for the year ended December 31, 2017 and to determine whether the C/C areas identified in the Statewide Agreed-Upon Procedures are free of obvious errors and omissions. Management of the Assessor is responsible for those C/C areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

**Written Policies and Procedures**

- 1. Obtain the Assessor'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 Assessor does not have any written policies and procedures), as applicable:**

We obtained the written policies and verified that the written policies address the areas as follows:

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

No exceptions were noted.

## Written Policies and Procedures (Continued)

- 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.**

We obtained the purchasing policy from the Assessor. We verified that the written policy addresses (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.

No exceptions were noted.

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

We obtained the disbursements written policy from the Assessor. We verified that the written policy addresses processing, reviewing, and approving of disbursements.

No exceptions were noted.

- d) Receipts, including receiving, recording, and preparing deposits.**

We obtained the receipts written policy from the Assessor. We verified that the written policy addresses receiving, recording, and preparing deposits.

No exceptions were noted.

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

We obtained the payroll/personnel written policy from the Assessor. We verified that the written policy addresses (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

No exceptions were noted.



## Written Policies and Procedures (Continued)

- 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.**

We obtained the contracting written policy from the Assessor. We verified that the written policy addresses (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process; and (5) monitoring process.

No exceptions were noted.

- 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.**

We obtained the credit cards written policy from the Assessor. We noted that the Assessor only uses a credit card, and does not use debit cards, fuel cards, or P-Cards. We verified that the written policy addresses (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers; and (5) monitoring card usage.

No exceptions were noted.

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

We obtained the travel and expense reimbursement written policy from the Assessor. We verified that the written policy addresses (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements; and (4) required approvers.

No exceptions were noted.

- 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 Assessor's ethics policy. Note: Ethics requirements are not applicable to nonprofit organizations.**

### Written Policies and Procedures (Continued)

We obtained the ethics policy from the Assessor. We verified that written policies address (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 Assessor's ethics policy.

No exceptions were noted.

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

Not applicable as the Assessor has no debt.

### Board (or Finance Committee, if applicable)

- 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.**

The Assessor is required to publish public notice yearly of her proposed budget, and hold a hearing for the purpose of inviting the public to comment on the budget process. This meeting was held as required during the year.

In addition, the Assessor and Deputy Assessor/Accounting personnel meet monthly to discuss financial and operational matters of the Assessor.

- 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 Assessor'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.**

Budget-to-actual information was provided and referenced at the Assessor's monthly meetings.

### **Board (or Finance Committee, if applicable) (Continued)**

We reviewed the minutes referenced in Step 2a and determined that the Assessor was not deficit spending during the fiscal period.

No exceptions were noted.

- 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.**

For the minutes referenced in Step 2a, we verified that at least one meeting during the fiscal period included non-budgetary financial information.

No exceptions were noted.

### **Bank Reconciliations**

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

We obtained a listing of client bank accounts from the Assessor for the fiscal period. We also obtained management's representation that the listing is complete.

We noted that disbursements were made and collections received out of a single bank account. Therefore, we obtained listings for this single account.

No exceptions were noted.

- 4. Using the listing provided by management, select all of the Assessor'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.**

We obtained bank statements and bank reconciliations for all months in the fiscal period for the bank account referenced in Step 3. We verified that bank reconciliations were prepared.

No exceptions were noted.

## **Bank Reconciliations (Continued)**

- 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**

The reconciliations are prepared by the Deputy Assessor of Accounting and reviewed by the Assessor. As an elected official, no other members are available for review.

For the bank reconciliations referenced in Step 4a, we observed timely review from the Assessor.

No exceptions were noted.

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

Not applicable. There were no reconciling items that have been outstanding for more than six months as of the end of the fiscal period.

## **Collections**

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

We obtained a listing of cash collection locations from Assessor management for the fiscal period. We also obtained management's representation that the listing is complete. We tested the one account described in Step 3.

No exceptions were noted.

- 6. Using the listing provided by management, select all of the Assessor'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.**

## Collections (Continued)

We noted that the person responsible for collecting deposits is not bonded, however the Assessor has a crime policy in place. Limited segregations of duty are available in a small office, with all oversight noted by the Assessor who is an elected official.

- b) Obtain existing written documentation (e.g., sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the Assessor 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.**

We obtained written policies and procedures and verified that the Assessor has a formal process to reconcile cash collections to the general ledger by revenue source by a person who is not responsible for cash collections in the collection location selected at Step 6a.

No exceptions were noted.

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

- Using Assessor 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.**

We obtained bank statements for the account referenced in Step 3. We verified that deposits tested were made within one day of collection.

No exceptions were noted.

- 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.**

We obtained documentation and verified that daily cash collections are completely supported.

No exceptions were noted.

## Collections (Continued)

7. **Obtain existing written documentation (e.g., policy manual, written procedure) and report whether the Assessor has a process specifically defined (identified as such by the Assessor) 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.**

We obtained existing written policies and procedures and verified that the completeness of all collections is ensured by review from Assessor management personnel not responsible for collections.

No exceptions were noted.

## Disbursements - General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

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

We obtained a listing of Assessor disbursements from the bank account referenced in Step 3 from management for the fiscal period. We also obtained management's representation that the listing is complete.

No exceptions were noted.

9. **Using the disbursement population from Step 8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the Assessor 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.**

We obtained the listing referenced in Step 8 and reviewed the entire population of disbursements. We then obtained supporting documentation for each transaction verifying that the Assessor had a requisition/purchase order system that separates initiation from approval functions.

**Disbursements - General (excluding credit card/debit card/fuel card/P-Card purchases or payments) (Continued)**

No exceptions noted.

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

We verified that purchases made via the system referenced in Step 9a were approved by a person who did not initiate the purchase.

We noted that the Assessor, an elected official, is able to initiate and approve purchases. All purchases by the Assessor are reviewed by the Deputy Assessor of Accounting.

- 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.**

We verified that payment for purchases made via the system referenced in Step 9a were not processed without (1) an approved requisition and/or purchase order, (2) a receiving report showing receipt of goods purchased; and (3) an approved invoice.

No exceptions were noted.

- 10. Using Assessor 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 Assessor's purchasing/disbursement system.**

We obtained existing written policies and procedures and verified that the person responsible for processing payments is prohibited from adding vendors to the Assessor's purchasing/disbursement system.

No exceptions were noted.

- 11. Using Assessor 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.**

We obtained existing written policies and procedures and found that the Assessor, an elected official, is able to initiate and make final authorization for disbursements.

All disbursements are reviewed by the Deputy Assessor of Accounting.

**Disbursements - General (excluding credit card/debit card/fuel card/P-Card purchases or payments) (Continued)**

- 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 Assessor documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.**

Through inquiry of management and observation, we determined that a supply of unused checks are maintained in a locked location in the accounting department at the Assessor's office, with access restricted to those persons that do not have signatory authority.

The Assessor, an elected official, has access to the supply of unused checks.

All disbursements are reviewed by the Deputy Assessor of Accounting.

- 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.**

Through inquiry of Assessor management, we determined that neither a signature stamp nor a signature machine is used by the Assessor.

Through inquiry of the Assessor, the only signer, we verified that signed checks are maintained under the control of the signer until mailed.

No exceptions were noted.

**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.**

We obtained a listing of credit cards and a representation from management that the listing is complete. Only one credit card is utilized by the Assessor.



**Credit Cards/Debit Cards/Fuel Cards/P-Cards (Continued)**

- 15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the Assessor 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:**

We selected the 1 credit card (the Assessor does not have debit cards, fuel cards, or P-Cards) and obtained the monthly statement for the largest month.

- 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.**

For the credit card selected, we noted evidence of the review and approval of the credit card statement by someone other than the authorized card holder.

No exceptions were noted.

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

For the credit card selected, we noted evidence of the review and the approval of the credit card statement by someone other than the authorized card holder.

No exceptions were noted.

- 16. Using the monthly statements or combined statements selected under Step 15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e., each of the 10 cards should have one month of transactions subject to testing).**

We obtained supporting documentation for the statement selected in Step 15 and verified the following:

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

- An original itemized receipt (i.e., identifies precisely what was purchased).**

No exceptions were noted.

### Credit Cards/Debit Cards/Fuel Cards/P-Cards (Continued)

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

No exceptions were noted.

- **Other documentation that may be required by written policy (e.g., purchase order, written authorization).**

No exceptions were noted.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the Assessor'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.**

No exceptions were noted. No transactions incurred were subject to the Louisiana Public Bid Law during the fiscal year.

- c) For each transaction, compare the Assessor'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., cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.**

No exceptions were noted.

### Travel and Expense Reimbursement

- 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.**

We obtained the listing of travel expenses and general ledger detail and a representation from Assessor management that the listing is complete.

## Travel and Expense Reimbursement (Continued)

- 18. Obtain the Assessor'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](http://www.gsa.gov)) and report any amounts that exceed GSA rates.**

The GSA rates were used for all reimbursements.

No exceptions were noted.

- 19. Using the listing or general ledger from Step 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 Assessor does not have written policies, compare to the GSA rates (Step 18 above) and report each reimbursement that exceeded those rates.**

All travel reimbursements were reimbursed at the GSA rates in accordance with written policy.

No exceptions were noted.

- b) Report whether each expense is supported by:**

- An original itemized receipt that identifies precisely what was purchased.**

No exceptions were noted.

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

No exceptions were noted.

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

No exceptions were noted.

## Travel and Expense Reimbursement (Continued)

- c) **Compare the Assessor'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). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.**

No exceptions were noted.

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

For each expense selected in Step 19a, we reviewed written approval by someone other than the person receiving reimbursement.

No exceptions were noted.

## 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.**

We obtained a listing of all contracts in effect during the fiscal period. We also obtained management's representation that the listing is complete.

No exceptions were noted.

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:**

We selected the five contract vendors paid the most money and the related contracts and invoices and performed the following:

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

We verified that there is a written contract supporting the amount paid for services.

No exceptions were noted.

**Contracts (Continued)**

**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 Assessor complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).**

We determined that the contracts referenced in Step 21a are not subject to the Louisiana Public Bid Law, as they were all for services provided. We obtained supporting contract documentation verifying compliance with all legal requirements.

No exceptions were noted.

- If no, obtain supporting contract documentation and report whether the Assessor solicited quotes as a best practice.**

All of the contracts references above were for services. The Assessor researches vendors for the best services and 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.**

We determined that the contracts referenced in Step 21a were not amended.

No exceptions were noted.

**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.**

For each contract, we obtained supporting invoices, compared the invoices to the contract terms, and verified that the invoices and related payments complied with the terms and conditions of the contract.

No exceptions were noted.

## Contracts (Continued)

- 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).**

Not applicable, as there is no policy or law requiring a board approval of contracts.

## Payroll and Personnel

- 22. **Obtain a listing of employees with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees obtain their personnel files, and:**

We obtained a listing of employees and a representation from management that the listing is complete. We selected five employees and obtained their personnel files and performed the following:

- 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.**

We verified compensation was in accordance with the terms of the employment contracts for each of the five employees selected.

No exceptions were noted.

- 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.**

For each employee selected in Step 22a, we obtained management's approval of the employee's pay rate.

No exceptions were noted.

- 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 (or randomly select one-third of employees if the Assessor had less than 25 employees during the fiscal period), and:**

We selected one pay period in which leave was taken and performed the following:

## Payroll and Personnel (Continued)

- 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.)**

We randomly selected 2 employees from the pay period (one-third of employees) and obtained supporting documentation regarding daily attendance and leave.

No exceptions were noted.

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

For each time sheet selected in Step 23a, we observed the Assessor's approval.

No exceptions were noted.

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

We observed that the Assessor's time keeping system is a manual file system and hours earned, hours used, and available hours are maintained and updated accordingly.

No exceptions were noted.

24. **Obtain from management a list of those employees 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. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.**

We obtained a list of terminations and a representation that the list is complete. We determined that no employees were terminated during the fiscal period. Therefore this step is not applicable.

## Payroll and Personnel (Continued)

- 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.**

We examined supporting documentation and verified that required payments of payroll taxes and retirement contributions, as well as the required reporting forms, were made timely.

No exceptions were noted.

## Ethics

- 26. Using the five randomly selected employees/officials from Step 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.**

No exceptions were noted.

- 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.**

Management represented that there were no alleged ethics violations were reported to the entity during the fiscal year.

No exceptions were noted.

## Debt Service

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

Not applicable. The Assessor does not have outstanding debt.



**Debt Service (Continued)**

- 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.**

Not applicable.

- 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.**

Not applicable.

**Other**

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

Management represented that there were no misappropriations of public funds. In addition, management signed a management representation letter stating there were no misappropriations of public funds.

- 32. Observe and report whether the Assessor 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.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.**

We observed that the Assessor has posted on its premises and website the notice required by R.S. 24:523.1.

No exceptions were noted.

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

We did not observe any exceptions regarding management's representations in the procedures above.

No exceptions were noted.

This agreed-upon procedure 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 are 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.

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

A handwritten signature in cursive script that reads "Bourgeois Bennett, L.L.C." The signature is written in black ink and is positioned above a thin horizontal line.

Certified Public Accountants.

New Orleans, Louisiana,  
May 22, 2018.