

# **ST. JOHN THE BAPTIST PARISH ASSESSOR**

## *Annual Financial Report*

As of and for the Year Ended

December 31, 2021

**KEITH J. ROVIRA**  
*Certified Public Accountant*

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Lucien J. Gauff, III  
St. John the Baptist Parish Assessor  
LaPlace, Louisiana

**Report on the Financial Statements**

I have audited the accompanying financial statements of the St. John the Baptist Parish Assessor, as of and for the year ended December 31, 2021, 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**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the assessor'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 assessor's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective net position of the St. John the Baptist Parish Assessor as of December 31, 2021, 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 and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, I have also issued a report dated June 17, 2022, on my consideration of the St. John the Baptist Parish Assessor's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with

*Government Auditing Standards* in considering the assessor's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Keith J. Rovira". The signature is written in a cursive style with a large, stylized initial "K".

Keith J. Rovira  
Certified Public Accountant  
Metairie, Louisiana

June 17, 2022

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**

LaPlace, Louisiana

Management's Discussion and Analysis

As of and for the year ended December 31, 2021

The Management's Discussion and Analysis (MD&A) of the St. John the Baptist Parish Assessor's financial performance presents a narrative overview and analysis of the assessor's financial activities for the year ended December 31, 2021. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the basic financial statements. The MD&A is an element of the reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June, 1999. Certain comparative information between the current year and prior year has been presented in the MD&A.

The minimum requirements for financial reporting on the St. John the Baptist Parish Assessor's office that was established by GASB No. 34 are divided into the following sections:

- (a) Management's Discussion and Analysis
- (b) Basic Financial Statements
- (c) Required Supplementary Information (other than MD&A)

**Basic Financial Statements:**

The basic information statements present information for the assessor as a whole, in a format designed to make the statements easier for the reader to understand. The financial statements in this section are divided into the two following types:

- (1) Government – Wide Financial Statements, which include a Statement of Net Position and Statement of Activities. These statements present financial information for all activities of the assessor from an economic resources measurement focus using the accrual basis of accounting and providing both short-term and long-term information about the assessor's overall financial status.
- (2) Fund Financial Statements, which include a Balance Sheet and a Statement of Revenues, Expenses, and Changes in Fund Balance for the General Fund (a governmental fund). These financial statements present information on the individual fund of the assessor allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements is dependent on the fund type. The assessor's only governmental fund is the General Fund. The statements in this section represent the short-term financing of general government.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 LaPlace, Louisiana  
 Management's Discussion and Analysis (Continued)  
 As of and for the year ended December 31, 2021

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position  
 December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Current assets	\$9,337,638	\$7,963,367
Capital assets	<u>26,409</u>	<u>36,673</u>
Total Assets	<u>9,364,047</u>	<u>8,000,040</u>
Deferred outflows of resources	<u>385,021</u>	<u>343,217</u>
Current liabilities	17,472	11,796
Long-term liabilities	<u>991,347</u>	<u>1,443,201</u>
Total Liabilities	<u>1,008,819</u>	<u>1,454,997</u>
Deferred inflows of resources	<u>648,327</u>	<u>258,173</u>
Net Position:		
Invested in capital assets, net of related debt	26,409	36,673
Restricted for the Funding of Other Post-Employment Benefit Obligations (OPEB) and the Related Unfunded Actuarial Accrued Liability (UAAL)	1,800,000	1,800,000
Unrestricted	<u>6,265,513</u>	<u>4,793,414</u>
Total Net Position	<u>\$8,091,922</u>	<u>\$6,630,087</u>

The assessor has "restricted" \$1,800,000 of the office's net position as shown above to help fund the current and future obligation that the office has to current and future retired employees for health, dental and life insurances.

Unrestricted net positions are those that do not have any limitations on what these amounts may be used for.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 LaPlace, Louisiana  
 Management's Discussion and Analysis (Continued)  
 As of and for the year ended December 31, 2021

Statement of Revenues, Expenditures and Changes in Fund Balance  
 For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues	\$2,336,854	\$1,378,621
Expenditures	<u>(968,259)</u>	<u>(915,720)</u>
Net Change in Fund Balance	<u>\$1,368,595</u>	<u>\$462,901</u>

Year over year, total revenues increased by \$958,233 due to an increase in ad valorem tax revenue. Total expenditures increased by \$52,539 from the prior year due primarily to a reduction in salaries and related benefit expenses.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At December 31, 2021, the assessor had the following amount invested in capital assets, including office furniture and equipment. This amount represents the total original cost of the capital assets less accumulated depreciation on those assets as shown in the table below:

	<u>2021</u>	<u>2020</u>
Capital Assets (Net of Accumulated Depreciation) As of December 31, 2021 and 2020		
Office furniture and equipment	\$89,729	\$89,729
Less: accumulated depreciation	<u>(63,320)</u>	<u>(53,056)</u>
Total Net Capital Assets	<u>\$26,409</u>	<u>\$36,673</u>

Debt Administration

The assessor had no debt outstanding at year end.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
LaPlace, Louisiana  
Management's Discussion and Analysis (Continued)  
As of and for the year ended December 31, 2021

**CONTACTING THE ASSESSOR**

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the assessor's finances, and to show the assessor's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the St. John the Baptist Parish Assessor at 1811 West Airline Highway, LaPlace, Louisiana 70068, or call 985-652-5311.

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

**ST. JOHN THE BAPTIST PARISH ASSESSOR**

LaPlace, Louisiana

Statement of Net Position

As of December 31, 2021

**ASSETS**

## Current Assets:

Cash and cash equivalents \$2,943,659

Investments – Louisiana Asset Management Pool 4,139,077

## Receivables:

Ad valorem tax 2,233,270

State revenue sharing 21,632Total Current Assets 9,337,638

## Noncurrent Assets:

Capital assets, net of accumulated depreciation 26,409Total Noncurrent assets 26,409TOTAL ASSETS 9,364,047Deferred Outflows of Resources 385,021**LIABILITIES**

## Current Liabilities:

Payroll tax deductions 17,472Total Current Liabilities 17,472

## Long-term Liabilities:

Net pension liability (341,139)

Net other postemployment benefit obligations (OPEB) 1,332,486Total Long-term Liabilities 991,347TOTAL LIABILITIES 1,008,819Deferred Inflows of Resources 648,327**NET POSITION**

Net investment in capital assets 26,409

Restricted for the funding of other postemployment benefit obligations  
(OPEB) and the related unfunded actuarial accrued liability (UAAL) 1,800,000Unrestricted 6,265,513TOTAL NET POSITION \$8,091,922

The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 LaPlace, Louisiana  
 Statement of Activities  
 As of and for the year ended December 31, 2021

**EXPENSES**

## Governmental Activities:

Salaries and related benefits	\$650,397
Office supplies and expenses	153,924
Travel and automotive	21,459
Professional and legal fees	38,975
Capital outlay	-
Depreciation expense	<u>10,264</u>

Total Expenses	<u>875,019</u>
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**GENERAL REVENUES**

Ad valorem taxes	2,287,834
State revenue sharing	37,577
Interest earnings	9,949
Other	<u>1,494</u>

Total General Revenues	<u>2,336,854</u>
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Change in Net Position	1,461,835
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Net Position at Beginning of Year, as restated	<u>6,630,087</u>
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Net Position at End of Year	<u><u>\$8,091,922</u></u>
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The accompanying notes are an integral part of this statement.

**BASIC FINANCIAL STATEMENTS**  
**(FUND FINANCIAL STATEMENTS)**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**

LaPlace, Louisiana

Balance Sheet

General Fund – Governmental Fund

December 31, 2021

**ASSETS**

Cash and cash equivalents	\$2,943,659
Investments – Louisiana Asset Management Pool (LAMP)	4,139,077
Receivables:	
Ad valorem taxes	2,233,270
State revenue sharing	<u>21,632</u>
 Total Assets	 <u>\$9,337,638</u>

**LIABILITIES AND FUND BALANCE**

Current Liabilities:	
Payroll deductions payable	\$ <u>17,472</u>
 Total Current Liabilities	 <u>17,472</u>
Fund Balance:	
Nonspendable	-
Restricted	1,800,000
Committed	-
Assigned	-
Unassigned	<u>7,520,166</u>
 Total Fund Balance	 <u>9,320,166</u>
 Total Liabilities and Fund Balance	 <u>\$9,337,638</u>

The accompanying notes are in integral part of this statement.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 LaPlace, Louisiana  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Government-Wide Statement of Net Position  
 General Fund  
 December 31, 2021

Total Fund Balance - Governmental Fund	\$9,320,166
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Total net position reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.

Those capital assets consist of:

Office furniture and equipment, net of accumulated depreciation	26,409
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The deferred outflows (inflows) of expenditures are not a use of (available) current resources, and are therefore not reported in the funds:

Deferred outflows of resources	385,021
Deferred inflows of resources	(648,327)

General long-term debt of governmental activities is not payable from current resources and, therefore, are not reported in the funds.

This debt is:

Net pension liability	341,139
Net other postemployment benefit obligations (OPEB)	<u>(1,332,486)</u>

Total Net Position - Governmental Activities	<u>\$8,091,922</u>
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The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 LaPlace, Louisiana  
 Statement of Revenue, Expenditures and Changes in Fund Balance  
 General Fund - Governmental Fund  
 For the Year Ended December 31, 2021

**REVENUES**

Ad valorem taxes	\$2,287,834
State revenue sharing	37,577
Interest earnings	9,949
Other	<u>1,494</u>
 Total Revenues	 <u>2,336,854</u>

**EXPENDITURES**

Salaries and related benefits	753,901
Office supplies and expenses	153,924
Travel and automotive	21,459
Professional and legal fees	38,975
Capital outlay	<u>-</u>
 Total Expenditures	 <u>968,259</u>
 Net Change in Fund Balance	 1,368,595
 Fund Balance at Beginning of Year	 <u>7,951,571</u>
 Fund Balance at End of Year	 <u>\$9,320,166</u>

The accompanying notes are an integral part of this statement

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 LaPlace, Louisiana  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balance to the Statement of Activities  
 For the Year Ended December 31, 2021

Net change in fund balance per the Statement of Revenues, Expenditures and Changes in Fund Balance	\$1,368,595
The change in net position reported for governmental activities in the Statement of Activities is 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.	
Capital outlay which is considered an expenditure Statement of Revenues, Expenditures and Changes in Fund Balances	-
Depreciation expense	(10,264)
Expenses not requiring the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Net change in the pension liability, other postemployment benefit obligation and related deferrals	<u>103,504</u>
Total change in net position per the Statement of Activities	<u>\$1,461,835</u>

The accompanying notes are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**

LaPlace, Louisiana

Notes to the Financial Statements

December 31, 2021

**INTRODUCTION**

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the assessor is elected by the voters of the parish and serves a four-year term. The assessor assesses all real and movable property in the parish subject to ad valorem taxation, prepares tax rolls, and submits the rolls to the Louisiana Tax Commission and other governmental bodies as prescribed by law. The assessor is authorized to appoint as many deputies as may be necessary for efficient operation of the office and provide assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the assessor is officially and pecuniarily responsible for the actions of the deputies.

The assessor has one office located in LaPlace and one office in Edgard in St. John the Baptist Parish. 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 for 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 collecting and distributing taxes to the various taxing bodies located in the parish.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Presentation**

The accompanying basic financial statements of the St. John the Baptist Parish Assessor have been prepared in conformity with generally accepted accounting principles (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 St. John the Baptist Parish Assessor has adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussions and Analysis – for State and Local Governments*. The assessor will be treated as a governmental-type activity for financial reporting purposes in this audit. The minimum requirements for the assessor established by GASB State No. 34 are divided into the following sections: (a) Management's Discussion and Analysis (b) Basic Financial Statements, and (c) Required Supplementary Information (RSI) other than MD&A.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**

LaPlace, Louisiana

Notes to the Financial Statements

December 31, 2021

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The accompanying financial statements of the St. John the Baptist Parish Assessor present information only as the transactions of the programs of the assessor as authorized by Louisiana statutes and administrative regulations. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting. Therefore, ad valorem taxes, state revenue sharing, and interest earnings are recognized in the accounting period in which they are earned and become measurable.

Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31.

**Expense Recognition**

Expenses are also recognized on the accrual basis; therefore, expenses, including salaries and related benefits, travel and automotive, office supplies and expenditures, professional and legal fees, etc. are recognized in the period incurred, if measurable.

**2. Reporting Entity**

For financial reporting purposes, in conformance with GASB Codification Section 2100, the assessor is an independently elected official who operates his office without oversight responsibility to the parish governing authority, the St. John the Baptist Council. Louisiana revised statutes give each assessor control over all of their operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for funding deficits and operating deficiencies, and fiscal management for controlling the collection and disbursement of funds. Therefore, the assessor reports as an independent reporting entity and the financial statements include only the transactions of the St. John the Baptist Parish Assessor. Furthermore, the St. John the Baptist Parish Council, the parish's governing authority, does not include the assessor as a component unit in its comprehensive annual financial report.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**

LaPlace, Louisiana

Notes to the Financial Statements

December 31, 2021

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Fund Accounting

The assessor uses a fund (General Fund) to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The assessor's General Fund is classified as a governmental fund. Governmental funds account for general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of capital assets.

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the only fund of the assessor and accounts for the operation of the assessor's office. Ad valorem tax revenue authorized by Act 292 of 1985 is accounted for in this fund. General operating expenditures are paid from this fund.

4. Budgets

The proposed original budget for the year ended December 31, 2021, was made available for public inspection at the assessor's office and advertised on December 14, 2020. The budget was adopted after a public hearing which was held on December 28, 2020. The proposed budget was prepared on the modified accrual basis of accounting. The assessor reserves all authority to make changes to the budget.

The original budget was amended and was made available for public inspection at the assessor's office and advertised on December 8, 2021. The budget was adopted after a public hearing which was held on December 27, 2021. The proposed budget was prepared on the modified accrual basis of accounting. The assessor reserves all authority to make changes to the budget.

Formal budget integration within the accounting records is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

All appropriations contained in the budget lapse at year end.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**

LaPlace, Louisiana

Notes to the Financial Statements

December 31, 2021

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Cash and Cash Equivalents  
Cash includes amounts in noninterest bearing demand deposits. Cash equivalents include amounts in certificates of deposit. Under state law, the assessor may deposit funds in demand deposits, money market accounts, or certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.
6. Receivables  
Receivables are made up of ad valorem taxes and state revenue sharing. Ad valorem tax receivables recorded as of December 31, 2021 are based on the actual ad valorem taxes received in the first five months of the ensuing calendar year. Therefore, there was no need for estimating an uncollectible amount.
7. Capital Assets  
Capital assets with a purchase price of \$1,000 or greater are recorded at either historical cost or estimated historical cost and are depreciated over their estimated useful lives (excluding salvage value). These assets are reported on the Statement of Net Assets at original cost less accumulated depreciation, and annual depreciation expense is reported in the Statement of Activities. Any donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation with an estimated useful life of 5 years is used for all office furniture and equipment.
8. Compensated Absences  
Employees of the assessor's office earn vacation leave depending on length of service as follows: after one year of service an employee earns 5 days; after two years of service an employee earns 10 days; after three and four years of service an employee earns 15 days; after five years of service an employee earns 20 days. An employee cannot earn more than 20 days per year after five years of service. Vacation leave must be taken during the year earned, and cannot be accumulated. Sick leave is granted at the discretion of the assessor, and cannot be accumulated. Upon termination, resignation, or retirement employees are not paid for any unused vacation or sick leave earned during the year. At December 31, 2021, there were no accumulated or vested benefits related to vacation and sick leave that require disclosure in the financial statements.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
LaPlace, Louisiana  
Notes to the Financial Statements  
December 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Encumbrances  
Encumbrance accounting is not utilized by the assessor due to the nature of operations and the ability of management to monitor budgeted expenses on a timely basis.
10. Use of Estimates  
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
11. Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position  
In some instances, the GASB requires a governmental body to delay recognition of decreases in net position as expenditures until a further period. In other instances, governments are required to delay recognition of increases in net position as revenues until a further period. In these circumstances, deferred outflows and inflows of resources result from the delayed recognition of expenditures or revenues, respectively.
12. Equity Classification  
In the government-wide statements, equity is classified as net position and displayed in three components:
  - a. Invested in capital assets, net of related debt: consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
  - b. Restricted net position: consists of assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups, such as creditors, grantors, contributors, or law or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**

LaPlace, Louisiana

Notes to the Financial Statements

December 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- c. *Unrestricted net position: all other assets that do not meet the definition of “invested in capital assets, net or related debt” or “restricted net position,” or deferred outflows of resources, liabilities, and deferred inflows of resources.*

In the fund financial statements, governmental fund equity is classified as fund balance. The assessor has adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. As such, fund balances of the governmental funds are 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 for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments

**Committed:** amounts that can be used only for specific purposes determined by a formal action of the assessor. The assessor is the highest level of decision-making authority for the assessor’s office. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the assessor.

**Assigned:** amounts that do not meet the criteria to be classified as restricted or restricted, but that are intended to be used for specific purposes. Under the assessor’s adopted policy, only the assessor may assign amounts for specific purposes.

**Unassigned:** all other spendable amounts.

	<u>General Fund</u>
Nonspendable:	-
Restricted:	\$1,800,000
Committed:	-
Assigned:	-
Unassigned:	<u>7,520,166</u>
Total	<u>\$9,320,166</u>

**ST. JOHN THE BAPTIST PARISH ASSESSOR**

LaPlace, Louisiana

Notes to the Financial Statements

December 31, 2021

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**NOTE B – LEVIED TAXES**

Ad valorem taxes of 3.04 mills were authorized and levied for the operation of the assessor's office for the year ended December 31, 2021. The following are the top principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Business Type</u>	<u>2021 Valuation (in thousands)</u>	<u>Percentage of Total Assessed Valuation</u>
Marathon Petroleum Co.	Oil	\$461,093	60%
Entergy Louisiana, Inc.	Energy	13,726	2
Louisiana Machinery Co.	Equipment	12,718	2
Denka Performance Elastomer	Chemical	11,340	1
Nalco Chemical	Chemical	<u>9,531</u>	<u>1</u>
Total		<u>\$508,408</u>	<u>66%</u>

The total taxable valuation (in thousands) for all taxpayers at December 31, 2021, was \$767,922. This figure was used in calculating the percentage of the "2021 taxable valuation of each of the principal taxpayers" to the "total taxable valuation for all taxpayers parish-wide."

**ST. JOHN THE BAPTIST PARISH ASSESSOR**

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**NOTE C – CASH AND CASH EQUIVALENTS**

At December 31, 2021, the carrying amounts (book balances) of all cash and cash equivalents of the assessor are listed as follows:

Interest bearing bank account	\$1,087,296
Certificates of deposit	<u>1,856,363</u>
 Total	 <u>\$2,943,659</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits or the resulting bank balances must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2021, the assessor had \$2,967,494 in deposits (collected bank balances). These deposits were secured from risk by \$1,500,000 of federal deposit insurance and \$1,467,494 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the assessor that the fiscal agent has failed to pay deposited funds upon demand.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**

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**NOTE D – INVESTMENTS – LOUISIANA ASSET MANAGEMENT POOL (LAMP)**

At December 31, 2021, the assessor held the following types of investments:

<u>Type of Investment</u>	<u>Cost/ Carrying Amount</u>	<u>Market Value</u>
Louisiana Asset Management Pool (LAMP)	\$4,139,077	\$4,139,077

Louisiana Asset Management Pool (LAMP) is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that to the extent practical invests in a manner consistent with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The following facts are relevant for investment pools:

Credit risk: LAMP is rated AAAM by Standard and Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM

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December 31, 2021

**NOTE D – INVESTMENTS – LOUISIANA ASSET MANAGEMENT POOL (CONTINUED)**

of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days.

Foreign currency risk: This type of risk is not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the Securities and Exchanges Commission as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

**NOTE E – CAPITAL ASSETS**

The capital assets used in the governmental-type activities are included on the Statement of Net Position of the assessor and are capitalized at historical cost. Depreciation of all exhaustible capital assets used by the assessor is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Position. Depreciation expense for financial reporting purposes is computed using the straight-line method over the useful lives of the capital assets and is reported in the Statement of Activities.

A summary of changes in capital assets and accumulated depreciation during the year is listed as follows:

	<u>Balance</u> <u>12/31/20</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/21</u>
<u>Capital Assets (at Cost):</u>				
Office furniture & equipment	\$89,729	-	-	\$89,729
<u>Less: Accumulated Depreciation:</u>				
Office furniture & equipment	\$53,056	\$10,264	-	\$63,320

The purchase price of capital assets net of accumulated depreciation on those assets equals the carrying value on the Statement of Net Position at December 31, 2021 of \$26,409.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**

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**NOTE F – PENSION PLAN**

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 and Subsidiary (Retirement Fund) and additions to/deductions from the Retirement Fund's fiduciary net position have been determined on the same basis as they are reported by the Retirement System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Plan Description**

The St. John the Baptist Parish Assessor participates in the Louisiana Assessors' Retirement Fund, which was created by Act 91 Section 1 of the 1950 regular Legislature Session. The Fund is a cost sharing, multiple-employer, qualified governmental defined benefit pension plan covering assessors and their deputies employed by any parish of the State of Louisiana, under the provisions of Louisiana Revised Statutes 11:1401 through 1494. The Plan is a qualified plan as defined by the Internal Revenue Code Section 401(a), effective January 1, 1998. Membership in the Louisiana Assessors' Retirement Fund is a condition of employment for assessors and their full-time employees.

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

**Pension Benefits**

Employees who were hired before October 1, 2013, will be eligible for pension benefits once they have either reached the age of fifty-five and have at least twelve years of service or have at least thirty years of service, regardless of age. Employees who were hired on or after October 1, 2013, will be eligible for pension benefits once they have either reached the age of sixty and have at least twelve years of service or have reached the age of fifty-five and have at least thirty years of service. Employees who became members prior to October 1, 2006, are entitled to annual pension benefits equal to three and one-third percent of their average final compensation based on the 36 consecutive months of highest pay, multiplied by their total years of service not to exceed 100% of final compensation. Employees who become members on or after October 1, 2006, will have their benefit based on the highest 60 months of consecutive service. Employees may elect to receive their pension benefits in the form of a joint/survivor annuity.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**

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**NOTE F – PENSION PLAN (CONTINUED)**

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

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

Death Benefits

As set forth in R.S. 11:1441, benefits for members who die in service are as follows:

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

Disability Benefits

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

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**NOTE F – PENSION PLAN (CONTINUED)**

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

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

**Back-Deferred Retirement Option Plan (Back-DROP)**

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

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

1. The member has accrued more service credit than the minimum required for eligibility for a normal retirement benefit.
2. The member has attained an age that is greater than the minimum required for eligibility for a normal retirement benefit, if applicable.
3. The member has revoked their participation, if any, in the Deferred Retirement Option Plan pursuant to R.S. 11:1456.2

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

The Back-DROP benefit shall have two portions: a lump-sum portion and a monthly benefit portion. The member's Back-DROP monthly benefit shall be calculated pursuant

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Notes to the Financial Statements

December 31, 2021

**NOTE F – PENSION PLAN (CONTINUED)**

to the provisions applicable for service retirement set forth in R.S. 11:1421 through 1423, subject to the following conditions:

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

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

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

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December 31, 2021

## NOTE F – PENSION PLAN (CONTINUED)

Excess Benefit Plan

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

Employer Contributions

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

Administrative costs of the Fund are financed through employer contributions. According to state statute, contributions for all employers are actuarially determined each year. Employer contributions were 8.0% of members' earnings for the current plan year.

The Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state as well as a state revenue sharing appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee. Although the actuarially-determined employer contribution for the plan year was 2.85%, the actual employer contribution rate was 8.0%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set on year prior to the year effective.

Schedule of Employer Allocations

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

The allocation method used in determining each employer's proportion was based on the employer's contribution total to the plan for the current fiscal year as compared to the total of all employers' contribution effort to the plan for the current fiscal year. The employers' contribution effort was based on actual employer contributions made to the Retirement Fund for the fiscal year ended September 30, 2021.

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 December 31, 2021

NOTE F – PENSION PLAN (CONTINUED)

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

At December 31, 2021, the Assessor reported an asset of \$(341,139) for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Assessor's proportion of the net pension liability was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2021, the Assessor's proportion was 1.037651%, which was an increase of .48677% from its proportion measured in the prior year.

For the year ended December 31, 2021, the Assessor recognized pension expense of \$49,771.

At December 31, 2021, the Assessor reported deferred outflows of resources and deferred inflows of resource related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$27,287	\$90,722
Changes in assumptions	354,032	-
Net difference between projected and actual earnings on pension plan investments	-	543,449
Change in proportion and differences between employer contributions and proportionate share of contributions	3,702	14,156
Employer contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
	<u>\$385,021</u>	<u>\$648,327</u>

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NOTE F – PENSION PLAN (CONTINUED)

Deferred outflows of resources of \$385,021 related to pensions resulting from the Assessor's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ended Sept. 30,	
2022	\$(55,992)
2023	(57,638)
2024	(100,527)
2025	(75,094)
2026	<u>25,946</u>
Total	<u>\$(263,305)</u>

Actuarial Methods and Assumptions

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

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2021 are as follows:

Valuation Date:	September 30, 2021
Actuarial Cost Method:	Entry Age Normal
Investment Rate of Return:	5.50%, net of pension plan investment expense, including inflation
Projected Salary Increases:	5.25%
Inflation rate:	2.10%

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Notes to the Financial Statements

December 31, 2021

NOTE F – PENSION PLAN (CONTINUED)

Retiree Cost of Living Adjustments: 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 increase not yet authorized by the Board of Trustee.

Mortality Tables: RP-2010 Public Retirement Plans Mortality Table for Retirees Table was selected for active members, annuitants and beneficiaries and disables retirees.

Discount Rate

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, of 2.5%, and an adjustment for the effect of rebalancing/diversification. The resulting long-term expected arithmetic nominal return was 8.37% as of September 30, 2021.

Best estimates of arithmetic real rates of return for each major class included in the Fund's target asset allocation as of September 30, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real estate	4.50%
Alternative assets	5.87%

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Notes to the Financial Statements

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NOTE F – PENSION PLAN (CONTINUED)

Sensitivity to Employer’s Proportionate Share of the Net Pension Liability to Changes in Discount Rate

The following presents the net pension liability of the Fund calculated using the discount rate of 5.50%, as well as what the Fund’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.50%) or one percentage point higher (6.50%) than the current rate (assuming all other assumptions remain unchanged):

	<u>Changes in Discount Rate</u>		
	1.00% Decrease	Current Discount Rate	1.00% Increase
	<u>4.50%</u>	<u>5.50%</u>	<u>6.50%</u>
Employer’s Proportionate share of the net pension liability	\$261,609	\$(341,139)	\$(852,898)

Change in Net Pension Liability:

The changes in the net pension liability for the year ended September 30, 2021 were recognized in the current reporting period except as follows:

Differences between expected and actual experience:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred outflows of resources in the amount of \$27,287 and a deferred inflow of resources of \$90,722 for the year ended December 31, 2021.

Changes of Assumptions or Other Income:

Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Changes of assumptions or other inputs resulted in a deferred outflows of resources in the amount of \$354,032 and a deferred inflow of resources of \$-0- for the year ended December 31, 2021.

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Notes to the Financial Statements

December 31, 2021

## NOTE F – PENSION PLAN (CONTINUED)

Differences between Projected and Actual Investment Earnings:

Differences between projected an actual investment earnings on pension plan investments were recognized in pension expense (benefit) using the straight-line amortization method over a closed five-year period. The difference between projected an actual investment earnings resulted in a deferred outflows of resources in the amount of \$-0- and a deferred inflow of resources of \$543,449 for the year ended December 31, 2021.

Changes in Proportion

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Changes in proportion or other resulted in a deferred outflows of resources in the amount of \$3,702 and a deferred inflow of resources of \$14,516 for the year ended December 31, 2021.

Contributions - Proportionate Share

Differences between contributions remitted to the Fund and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is reflected in the schedule of pension amounts by employer due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

Retirement Fund Audit Report

The Louisiana Assessors' Retirement Fund and Subsidiary has issued a stand-alone audit report on their financial statements for the year ended September 30, 2021. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.la.gov](http://www.la.la.gov), or by contacting the Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

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**NOTE G – OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**General Information about the OPEB Plan**

Plan description: The St. John the Baptist Parish Assessor (the assessor) provides certain continuing health care and life insurance benefits for its retired employees. The St. John the Baptist Parish Assessor's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the assessor. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the assessor. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52, *Post-Employment Benefits Other Than Pensions—Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided: Medical, dental, vision, and life benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by the Louisiana Assessors' Retirement Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: attainment of age 55 and 12 years of service; or, any age and 30 years of service; employees hired on and after October 1, 2013 are not able to retire or enter DROP until age 60 with 12 years of service; or, age 55 with 30 years of service. The retiree must also have 20 years of service for the retiree to receive employer contributions.

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

Employees covered by benefit terms: At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	6
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>6</u>

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**ST. JOHN THE BAPTIST PARISH ASSESSOR**

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Notes to the Financial Statements

December 31, 2021

**NOTE G – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Total OPEB Liability**

The assessor's total OPEB liability of \$1,292,109 was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

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

Inflation rate:	2.00%, annually
Salary increases:	3.00%, including inflation
Discount rate:	2.12%, annually (beginning of year to determine ADC) 2.06%, annually (as of end of year measurement date)
Healthcare cost trend rates:	5.50%, annually until year 2030, then 4.5%
Mortality rates were based on the SOA RP-2014 Combined Table.	

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2021.

**Changes in the Total OPEB Liability**

Balance at December 31, 2020	<u>\$1,292,109</u>
Changes for the year:	
Service cost	28,604
Interest	27,696
Differences between expected and actual experience	11,165
Changes in assumptions	11,055
Benefit payments and net transfers	<u>(38,142)</u>
Net changes	<u>40,377</u>
Balance at December 31, 2021	<u>\$1,332,486</u>

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December 31, 2021

**NOTE G – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the assessor, as well as what the assessor's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.12%) or 1-percentage point higher (3.12%) than the current discount rate:

	1.00% Decrease	Current Discount Rate	1.00% Increase
	<u>1.06%</u>	<u>2.06%</u>	<u>3.06%</u>
Total OPEB liability	\$1,538,715	\$1,332,486	\$1,165,710

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the assessor, as well as what the Assessor's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.00% Decrease	Current Discount Rate	1.00% Increase
	<u>(4.50%)</u>	<u>(5.50%)</u>	<u>(6.50%)</u>
Total OPEB liability	\$1,184,526	\$1,332,486	\$1,515,766

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

For the year ended December 31, 2021, the Assessor recognized OPEB expense of \$101,743. At December 31, 2021, the Assessor reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 35,306	\$(111,971)
Changes in assumptions	<u>294,678</u>	<u>(36,241)</u>
Total	<u>\$329,984</u>	<u>\$(148,212)</u>

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 LaPlace, Louisiana  
 Notes to the Financial Statements  
 December 31, 2021

**NOTE G – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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

<u>Years ending December 31:</u>	
2022	\$45,443
2023	\$45,443
2024	\$45,443
2025	\$45,443
2026	-
Thereafter	-

**NOTE H – LEASES**

Operating leases are all leases that do not meet the criteria of capital leases. Total annual minimum lease commitments for these operating leases are as follows:

Year ending December 31:	
2022	\$12,984
2023	<u>12,984</u>
Total minimum lease payments	<u>\$25,968</u>

There were no other operating or capital leases, and no other commitments on any leases as of December 31, 2021.

**NOTE I – EXPENDITURES OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS**

The assessor has an office located in both Laplace and Edgard in St. John the Baptist Parish. The upkeep and maintenance of these offices is mainly paid by the St. John the Baptist Parish Council as required by Louisiana Revised Statute. These expenditures are not reflected in the accompanying financial statements.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**

LaPlace, Louisiana

Notes to the Financial Statements

December 31, 2021

**NOTE J – LITIGATION**

There was no litigation pending against the assessor's office at December 31, 2021.

**NOTE K – RISK MANAGEMENT**

The assessor is exposed to risks of loss in the areas of general and auto liability and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current year, nor have there been any settlements which have exceeded the insurance coverage maintained for the past three years.

**NOTE L – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 17, 2022, the date which the financial statements were available to be issued.

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

Under Act 706 of the 2014 Regular Louisiana Legislative Session, the assessor is required to disclose the compensation, reimbursements, benefits, and other payments made to the assessor that are related to that position. The following is a schedule of payments made to the assessor for the year ended December 31, 2021:

Agency Head's Name: Lucien J. Gauff, III, St. John the Baptist Parish Assessor

Salary (as allowed by R.S. 47:1907)	\$144,976
Benefits – insurance (as allowed by R.S. 47:1923)	18,411
Benefits – retirement (as allowed by R.S. 11:1481)	22,109
Cell phone	1,576
Registration fees	1,300
Lodging	<u>1,750</u>
<b>Total</b>	<b><u>\$190,122</u></b>

**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 LaPlace, Louisiana  
 Required Supplementary Information  
 Budgetary Comparison Schedule – General Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>(Negative)</u>
<b><u>REVENUES</u></b>				
Ad valorem taxes	\$1,369,476	\$1,344,027	\$2,287,834	\$943,807
State revenue sharing	32,800	21,632	37,577	15,945
Interest earnings	38,000	6,650	9,949	3,299
Other	<u>2,600</u>	<u>644</u>	<u>1,494</u>	<u>850</u>
Total Revenues	<u>1,442,876</u>	<u>1,372,953</u>	<u>2,336,854</u>	<u>963,901</u>
<b><u>EXPENDITURES</u></b>				
Salaries, related expenditures	928,256	928,256	753,901	174,355
Office supplies and expend.	109,500	109,500	153,924	(44,424)
Travel & automotive	50,000	50,000	21,459	28,541
Professional & legal fees	55,000	55,000	38,975	16,025
Capital outlay	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total Expenditures	<u>1,292,756</u>	<u>1,292,756</u>	<u>968,259</u>	<u>324,497</u>
Excess of Revenues over Expenditures	150,120	80,197	1,368,595	1,288,398
Fund Balance at Beginning of Year	<u>5,722,973</u>	<u>5,722,973</u>	<u>7,951,571</u>	<u>2,228,598</u>
Subtotal	5,873,093	5,803,170	9,320,166	3,516,996
Restricted for OPEB Obligation	<u>(1,800,000)</u>	<u>(1,800,000)</u>	<u>(1,800,000)</u>	<u>-</u>
Unrestricted Fund Balance at End of Year	<u>\$4,073,093</u>	<u>\$4,003,170</u>	<u>\$7,520,166</u>	<u>\$3,516,996</u>

The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 LaPlace, Louisiana  
 Required Supplementary Information (Continued)  
 For the Year Ended December 31, 2021

**Schedule of Changes in Total OPEB Liability and Related Ratios**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Service cost	\$28,604	\$27,001	\$12,603
Interest	27,696	31,692	38,412
Changes of benefit terms	-	-	
Differences between expected & actual experience	11,165	(167,956)	42,605
Changes of assumptions	11,055	294,369	156,779
Benefit payments and net transfers	<u>(38,142)</u>	<u>(36,154)</u>	<u>(37,829)</u>
<b>Net change in total OPEB liability</b>	40,377	148,952	212,570
<b>Total OPEB liability - beginning</b>	<u>1,292,109</u>	<u>1,143,157</u>	<u>930,587</u>
<b>Total OPEB liability - ending</b>	<u>\$1,332,486</u>	<u>\$1,292,109</u>	<u>\$1,143,157</u>
Covered-employee payroll	\$329,600	\$320,000	\$377,341
Net OPEB liability as a percentage of covered payroll	404.27%	403.78%	302.95%
<u>Notes to this Schedule:</u>			
Benefit Changes:	None	None	None
Changes of Assumptions:			
Discount Rate:	2.06%	2.12%	2.74%
Mortality:	RP-2014	RP-2014	RP-2000
Trend:	Variable	Variable	5.50%

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

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 LaPlace, Louisiana  
 Required Supplementary Information (Continued)  
 For the Year Ended December 31, 2021

**Schedule of Employer's Share of Net Pension Liability**

Year Ended <u>Dec 31,</u>	Employer Proportion of the Net Pension Liability <u>(Asset)</u>	Employer Proportionate Share of the Net Pension Liability <u>(Asset)</u>	Employer's Covered Employee <u>Payroll</u>	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee <u>Payroll</u>	Plan Fiduciary Net Position as a Percentage of the Total Pension <u>Liability</u>
2015	1.130930%	\$591,841	\$478,191	123.77%	85.57%
2016	1.145647%	\$404,264	\$518,982	77.90%	90.68%
2017	1.118104%	\$196,195	\$477,936	41.05%	95.61%
2018	1.102920%	\$214,412	\$366,350	58.50%	95.46%
2019	1.130594%	\$298,230	\$377,341	79.03%	94.12%
2020	.988974%	\$151,092	\$320,000	47.20%	96.79%
2021	1.037651%	\$(341,139)	\$329,600	(103.50)%	106.48%

**Schedule of Employer's Contributions**

Year Ended <u>Dec. 31,</u>	Contractually Required <u>Contribution</u>	Contributions In Relation to Contractual Required <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Employer Covered Employee <u>Payroll</u>	Contributions as % of Covered Employee <u>Payroll</u>
2015	\$64,556	\$64,556	-	\$478,191	12.0%
2016	\$65,042	\$65,042	-	\$518,982	12.5%
2017	\$44,640	\$44,640	-	\$477,936	9.3%
2018	\$39,326	\$39,326	-	\$366,350	10.7%
2019	\$38,999	\$38,999	-	\$377,341	10.3%
2020	\$37,078	\$37,078	-	\$320,000	11.6%
2021	\$35,197	\$35,197	-	\$329,600	10.7%

These two schedules above are intended to show information of 10 years.  
 Additional years will be displayed as they become available.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
LaPlace, Louisiana  
Required Supplementary Information (Continued)  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2021

(1) Budgets

The assessor adopted a budget as required by Louisiana Revised Statute 39:1301-1316, for the year ended December 31, 2021.

(2) Pension Plan

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

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

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

Honorable Lucien J. Gauff, III  
St. John the Baptist Parish Council  
LaPlace, Louisiana

I 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 St. John the Baptist Parish Assessor, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the St. John the Baptist Parish Assessor's basic financial statements and have issued my report thereon dated June 17, 2022.

**Internal Control Over Financial Reporting**

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

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan, I identified a certain deficiency in the internal control over financial reporting that I consider to be a material weakness.

*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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the deficiency described in the accompanying Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan to be a material weakness (Finding No. 2021-001).

### **Compliance and Other Matters**

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

### **St. John the Baptist Parish Assessor's Response to Finding**

The St. John the Baptist Parish Assessor's response to the finding identified (Finding No. 2021-001) in my audit is described in the accompanying Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan. The assessor's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my 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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Keith J. Rovira  
Certified Public Accountant  
Metairie, Louisiana

June 17, 2022

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
LaPlace, Louisiana  
Schedule of Current and Prior Year Audit Findings and  
Management's Corrective Action Plan  
For the Year Ended December 31, 2021

I have audited the accompanying basic financial statements of the St. John the Baptist Parish Assessor, as of and for the year ended December 31, 2021, and have issued my report thereon dated June 17, 2022. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements resulted in an unmodified opinion.

**I. Current Year Audit Finding:**

**Internal Control over Financial Reporting**

**Finding 2021-001 - Inadequate Segregation of Accounting Functions:**

**Condition and Criteria:** The assessor's office did not have adequate segregation of duties and functions within the accounting system.

**Effect:** This condition represents a material weakness in the internal control of the assessor's office.

**Cause:** The condition resulted due to the small number of employees in the accounting department.

**Recommendation:** No plan is considered necessary due to the fact that it would not be cost effective to implement a plan.

**Management's Corrective Action Plan:** It has been determined that it is not cost effective to achieve complete segregation of duties and functions within the accounting department. No plan is considered necessary.

**Management Letter**

No management letter was issued for this year.

**Compliance**

There are no findings on compliance that are required be reported at December 31, 2021.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
LaPlace, Louisiana  
Schedule of Current and Prior Year Audit Findings and  
Management's Corrective Action Plan (Continued)  
For the Year Ended December 31, 2021

**II. Prior Year Audit Finding:**

**Internal Control over Financial Reporting**

**Finding 2020 - 001 - Inadequate Segregation of Accounting Functions:**

Condition and Criteria: The assessor's office did not have adequate segregation of duties and functions within the accounting system.

Effect: This condition represents a material weakness in the internal control of the assessor's office.

Cause: The condition resulted due to the small number of employees in the accounting department.

Recommendation: No plan is considered necessary due to the fact that it would not be cost effective to implement a plan.

Management's Corrective Action Plan: It has been determined that it is not cost effective to achieve complete segregation of duties and functions within the accounting department. No plan is considered necessary.

**Management Letter**

No management letter was issued for this year.

**Compliance**

There were no findings on compliance that are required be reported at December 31, 2020.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**

*Statewide Agreed-Upon Procedures Report*

As of and for the Year Ended

December 31, 2021

**KEITH J. ROVIRA**  
*Certified Public Accountant*

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

Honorable Lucien J. Gauff, III  
St. John the Baptist Parish Assessor  
1811 West Airline Highway  
LaPlace, Louisiana 70068

I have performed the procedures enumerated below, which were agreed to by the management of the St. John the Baptist Parish Assessor (Assessor), on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2021. The Assessor and his management are responsible for those C/C areas identified in the SAUPs.

The Assessor has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the year ended December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Note, all references to "management" in this engagement report mean the Assessor and the Chief Deputy Assessor.

The Statewide Agreed-Upon Procedures and associated findings for the year ended December 31, 2021 are as follows:

***Written Policies and Procedures***

---

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
  - h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) Assessor to

monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy .

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements. *The Assessor does not have any debt service; therefore, this procedure is not applicable.*
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting. *The Assessor has written policies and procedures in place covering all the areas listed above, except for Debt Service. The Assessor does not have any debt.*

*No exceptions were found as a result of these procedures.*

### ***Board or Finance Committee***

---

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document. *This procedure is not applicable because the Assessor is not required to have board meetings; however, he does document his actions as necessary.*
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *No exceptions were found as a result of this procedure.*
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one

meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*No exceptions were found as a result of this procedure.*

### ***Bank Reconciliations***

---

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

*The Assessor's only bank account is its main operating account, and he has represented to that fact..*

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

*Due to the small size of the Assessor's office, bank reconciliations are completed by the Chief Deputy Assessor who posts the ledgers and issues checks. The Assessor monitors the Chief Deputies work. The Assessor feels this is the best and most efficient way to handle this function. The Assessor and the Chief Deputy Assessor are bonded.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*Other than as listed above, there were no exceptions as a result of these procedures.*

### ***Collections (excluding electronic funds transfers )***

---

4. Obtain a listing of deposit sites<sup>1</sup> for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

---

<sup>1</sup> A deposit site is a physical location where a deposit is prepared and reconciled.

*The Assessor has represented that there is only one deposit site and collection location for the Assessor's office. His administrative office is located in the Parish Government Building, at 1811 West Airline Highway, LaPlace, Louisiana.*

5. For deposit site selected, obtain a listing of collection locations<sup>2</sup> and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

*No exceptions were found as a result of these procedures.*

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

*No exceptions were found as a result of these procedures.*

7. Randomly select two deposit dates for the one bank account selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day. Obtain supporting documentation for each deposit and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.

---

<sup>2</sup> A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

*No exceptions were found as a result of these procedures.*

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

---

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

*There is only one location where the Assessor processes non-payroll payments. His administrative office is located in the Parish Government Building, at 1811 West Airline Highway, LaPlace, Louisiana.*

*Management has represented to that fact.*

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

*I obtained a listing of those employees involved with non-payroll purchasing and payment functions, and I obtained written policies and procedures relating to the employees' job duties.*

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]

*No exceptions were found as a result of these procedures.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*Due to the small size of the Assessor's office, nearly all of the purchasing and payment functions rest with the Chief Deputy Assessor and they are monitored by the Assessor. The Assessor feels this is the best and most efficient way to handle this function. The Assessor and the Chief Deputy Assessor are bonded.*

*No exceptions were found as a result of these procedures.*

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

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*I obtained a list of credit cards and the Assessor represented that the population was complete. No exceptions were noted.*

*The Chief Deputy Assessor has customized an "Employee Credit Card Agreement" form for he and the Assessor, and they both have signed their own agreement.*

*No exceptions were found as a result of these procedures.*

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing

(or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

*Monthly statements were selected and supporting documentation for transactions was obtained. The supporting documentation examined adequately addresses the functions noted above for the transactions selected. No exceptions were noted.*

- b) Observe that finance charges and late fees were not assessed on the selected statements.

*No exceptions were found as a result of these procedures.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by: (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*Monthly statements were selected and supporting documentation for transactions was obtained. The supporting documentation examined adequately addresses the functions noted above for the transactions selected.*

*No exceptions were found as a result of these procedures.*

### **Travel and Travel-Related Expense Reimbursements<sup>3</sup> (excluding card transactions)**

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

<sup>3</sup> Non-travel reimbursements are not required to be tested under this category.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No exceptions were found as a result of these procedures.*

### ***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions were found as a result of these procedures.*

### ***Payroll and Personnel***

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16. Obtain a listing of all employees during the fiscal period and management's representation that the listing is complete. Selected all employees, obtained related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
 

*No exceptions were found as a result of these procedures.*
17. Randomly select one pay period during the fiscal period. For all 3 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

*No exceptions were found as a result of these procedures.*

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

*This procedure is not applicable because there were no terminations during the year.*

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*No exceptions were found as a result of these procedures.*

### ***Ethics***

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20. Using the all 3 selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*No exceptions were found as a result of these procedures.*

### *Debt Service<sup>4</sup>*

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21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*This procedure is not applicable because the Assessor does not have any debt service.*

### *Fraud Notice*

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

*This procedure is not applicable because there were no misappropriations of public funds during the year.*

24. Observe that the entity has posted on its premises<sup>5</sup> and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*No exceptions were found as a result of these procedures.*

### *Information Technology Disaster Recovery/Business Continuity*

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25. Perform the following procedures, **verbally discuss the results with management, and report "I performed the procedure and discussed the results with management."**
  - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical

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<sup>4</sup> This AUP category is generally not applicable to nonprofit entities; however, if applicable, the procedures should be performed.

data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

***I performed these procedures and discussed the results with management.***

*No exceptions were found as a result of these procedures.*

### ***Sexual Harassment***

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26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

*No exceptions were found as a result of these procedures.*

27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

*No exceptions were found as a result of these procedures.*

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

*No exceptions were found as a result of these procedures.*

I was engaged by the St. John the Baptist Parish Assessor to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an audit examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to our attention that would have been reported to you.

I am required to be independent of the St. John the Baptist Parish Assessor, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



Keith J. Rovira  
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Metairie, Louisiana

June 17, 2022