

ST. MARY PARISH ASSESSOR

FINANCIAL REPORT

For the Year Ended December 31, 2021

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
 BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	6 - 7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet - Governmental Fund	10
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities	13
Notes to the Financial Statements	14 - 36
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund	38
Schedule of Changes in Total OPEB Liability and Related Ratios	39
Schedule of Proportionate Share of Net Pension Liability (Asset)	40
Schedule of Contributions	41
Notes to the Required Supplementary Information	42
 OTHER SUPPLEMENTARY INFORMATION	
Schedule of Compensation, Benefits and Other Payments to Agency Head	44
 INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION	
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 <i>Government Auditing Standards</i>	46 - 47
Summary Schedule of Prior Year Findings	48
Schedule of Findings and Responses	49
Management's Corrective Action Plan for Current Year Findings	50



INDEPENDENT AUDITOR'S REPORT

The Honorable Jarrod K. Longman, Assessor
St. Mary Parish Assessor
Franklin, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the St. Mary Parish Assessor (Assessor), component unit of the St. Mary Parish Council, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Assessor, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Assessor and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Assessor's ability to continue as

a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule – General Fund, the Schedule of Changes in Total OPEB Liability and Related Ratios, the Schedule of Proportionate Share of Net Pension Liability (Asset), and the Schedule of Contributions on pages 38 through 41 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information

in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Assessor's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022, on our consideration of the Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Assessor's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Assessor's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana

June 29, 2022

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. MARY PARISH ASSESSOR

Statement of Net Position
December 31, 2021

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current assets	
Cash and cash equivalents	\$ 351,130
Investments	4,181,123
Taxes receivable (net of allowance for uncollectible taxes)	1,348,468
Due from other governmental units	656
Prepaid expenses	<u>67,561</u>
Total current assets	5,948,938
Noncurrent assets	
Capital assets, net of accumulated depreciation	24,681
Net pension asset	496,812
Deposits	<u>1,524</u>
Total noncurrent assets	<u>523,017</u>
TOTAL ASSETS	6,471,955
Deferred outflows of resources	
Deferred outflows of resources related to net pension asset	565,401
Deferred outflows of resources related to other postemployment benefit liability	<u>954,295</u>
Total deferred outflows of resources	<u>1,519,696</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 7,991,651</u>

ST. MARY PARISH ASSESSOR

Statement of Net Position
December 31, 2021

	<u>Governmental Activities</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
Current liabilities	
Accounts payable	\$ 4,339
Accrued liabilities	<u>11,683</u>
Total current liabilities	16,022
Long-term liability	
Other postemployment benefit liability	<u>6,852,519</u>
TOTAL LIABILITIES	6,868,541
DEFERRED INFLOWS OF RESOURCES	937,625
NET POSITION	
Net investment in capital assets	24,681
Unrestricted	<u>160,804</u>
TOTAL NET POSITION	<u>185,485</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 7,991,651</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH ASSESSOR

Statement of Activities
For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Governmental Activities	Revenue and Changes in Net Position
Governmental activities:				
General government	\$ 2,333,640	\$ 16,518		\$ (2,317,122)
General Revenues:				
				1,577,757
				55,210
				4,422
				8,572
				<u>225,722</u>
Total general revenues				<u>1,871,683</u>
Change in net position				(445,439)
Net position - beginning				<u>630,924</u>
Net position - ending				<u><u>\$ 185,485</u></u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

ST. MARY PARISH ASSESSOR

Balance Sheet
 Governmental Fund
 December 31, 2021

	<u>General Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 351,130
Investments	4,181,123
Taxes receivable (net of allowance for uncollectible taxes)	1,348,468
Due from other governmental units	<u>656</u>
Total current assets	5,881,377
Noncurrent assets	
Deposits	<u>1,524</u>
TOTAL ASSETS	<u>\$ 5,882,901</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Current liabilities	
Accounts payable	\$ 4,339
Accrued liabilities	<u>11,683</u>
TOTAL LIABILITIES	16,022
DEFERRED INFLOWS OF RESOURCES	48,998
Fund balance	
Unassigned	<u>5,817,881</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 5,882,901</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH ASSESSOR

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2021

Total fund balance - governmental fund	\$ 5,817,881
Total net position reported for governmental activities in the Statement of Net Position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.	24,681
Net pension asset is not a financial resource and, therefore, is not reported in the governmental fund.	496,812
Prepaid expenses involve the payment of obligations that are attributable to fiscal periods beyond the end of the current fiscal year with current financial resources and, therefore, are not reported in the governmental fund.	67,561
Other postemployment benefit liability, a long-term liability, is not due and payable in the current period and, therefore, is not reported in the governmental fund.	(6,852,519)
Deferred inflows of resources associated with net pension asset are not payable from current expendable resources and, therefore, are not reported in the governmental fund.	(937,625)
Deferred outflows of resources associated with the net pension asset and the other postemployment benefit liability are not available resources and, therefore, are not reported in the governmental fund.	1,519,696
Ad valorem taxes that are not considered to be available are not current financial resources and, therefore, are not reported as revenue in the governmental fund.	<u>48,998</u>
Net position of governmental activities	<u>\$ 185,485</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH ASSESSOR

Statement of Revenues, Expenditures, and Changes in
Fund Balance – Governmental Fund
For the Year Ended December 31, 2021

	<u>General Fund</u>
Revenues	
Ad valorem taxes	\$ 1,640,388
State revenue sharing	55,210
Charges for services	16,518
Interest and investment earnings	4,422
Miscellaneous	<u>8,572</u>
Total revenues	1,725,110
Expenditures	
Current -	
General government:	
Legal and professional fees	61,330
Materials and supplies	34,799
Operating services and supplies	188,206
Personal services and related benefits	1,310,030
Travel and seminars	<u>7,099</u>
Total expenditures	<u>1,601,464</u>
Net change in fund balance	123,646
Fund balance, beginning	<u>5,694,235</u>
Fund balance, ending	<u><u>\$ 5,817,881</u></u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH ASSESSOR

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2021

Net change in fund balance - governmental fund \$ 123,646

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

Ad valorem taxes that are considered available provide current financial resources to governmental funds; however, in the Statement of Activities, ad valorem taxes that are not considered available are reported. This is the amount of current year unavailable ad valorem tax revenue in excess of collections of prior year unavailable ad valorem tax revenue. (62,631)

Certain expenditures of the governmental fund involve the payment of current financial resources for obligations attributable to fiscal periods following the close of the current fiscal period. The portion of payment for insurance coverage, software maintenance contracts, and auto lease payments attributable to periods after December 31, 2021 are classified as prepaid expenses in the Statement of Net Position. This is the difference between prior year and current year accruals. 7,387

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. This is the amount of capital outlays in excess of depreciation expense in the current year. (13,430)

The other postemployment benefit liability does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental fund. (703,313)

Effects of recording net pension asset and deferred inflows and outflows of resources related to net pension asset:

Increase in pension expense (22,820)
Non-employer pension contribution revenue 225,722

Change in net position of governmental activities \$ (445,439)

The accompanying notes are an integral part of this statement.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Assessor's office is located in the St. Mary Parish Courthouse in Franklin, Louisiana. The Assessor employs 15 employees, including 14 deputies. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission, as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector, who is responsible for collecting and distributing taxes to the various taxing bodies.

At December 31, 2021, there are 46,320 real property and movable property assessments totaling \$258,641,430 and \$354,616,250, respectively.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity

As the governing authority for the Parish, for reporting purposes, the St. Mary Parish Council (Parish Council) is the financial reporting entity for St. Mary Parish. The financial reporting entity consists of (a) the primary government (Parish Council), (b) the organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Parish Council to impose its will on that organization and/or

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish Council.
2. Organizations for which the Parish Council does not appoint a voting majority but are fiscally dependent on the Parish Council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Parish Council provides office space to the Assessor and the significance of the relationship between the Assessor and the Parish Council, the Assessor was determined to be a component unit of the Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Assessor and do not present information on the Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Government-wide and Fund Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. Both the government-wide and the fund financial statements categorize primary activities as governmental.

The statement of activities demonstrates the degree to which the direct expenses having a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues of the Assessor include fees and charges paid by the recipients for goods or services offered by the Assessor's office, such as tax roll preparation and making copies of various reports. Taxes and items not properly included among program revenues are reported as general revenues.

A separate financial statement is provided for the governmental fund.

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ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Ad valorem taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or as soon enough thereafter to pay liabilities for the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The Assessor has the following fund types:

Governmental Fund –

The focus of the governmental fund's measurement (in the fund statement) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Assessor:

General Fund –

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the principal fund of the Assessor and accounts for the operation of the Assessor's office. Compensation is received from the various taxing bodies, prescribed by formula in Louisiana Revised Statutes 47:1907-1908 and ad valorem tax revenue authorized by Act 292 of 1985 is accounted for in this fund. General operating expenditures are paid from this fund.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the Assessor may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Under state law, the Assessor may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Assessor may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. All of the Assessor's investments are in LAMP, which are stated at fair value.

Capital Assets

All capital assets purchased or acquired with an original cost of \$1,000 or greater for furniture and \$5,000 or greater for equipment are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Automobiles	5 Years
Equipment and Furniture	5 - 10 Years
Improvements	10 Years
Mapping	5 Years
Software	5 Years

Equity Classifications

Government-wide Financial Statements:

Net position represents the difference between assets and liabilities. Net position is reported in three categories, as follows:

Net investment in capital assets – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consists of net position items with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unrestricted net position – consists of the net amount of assets and liabilities that do not meet the definition of the above two components and is available for general use by the Assessor.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balances are classified as follows:

Non-spendable – Includes amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Includes amounts that can be used only under constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or under constraints that are imposed by law through constitutional provisions or enabling legislation.

Committed – Includes amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Assessor. Commitments may be established, modified, or rescinded only through formal action of the Assessor.

Assigned – Includes amounts that are constrained by the government’s intent to be used for specific purposes but are neither restricted nor committed.

Unassigned – Includes all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the Assessor considers restricted net position to have been applied 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.

Deferred Inflows of Resources – Fund Financial Statements

Ad valorem taxes levied at December 31, 2021 that are not considered to be available to finance operations of the current period are reported as deferred inflows of resources on the governmental fund balance sheet and are recognized as operating revenues in the subsequent period.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources – Government-wide Financial Statements

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Assessor reported deferred outflows of resources related to pensions and other postemployment benefits (OPEB).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Assessor reported deferred inflows of resources related to pensions.

See Notes 7 and 8 for additional information related to deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits (OPEB).

Compensated Absences

Employees of the Assessor's office earn from five to twenty-five days of vacation leave each year based on length of service. Vacation leave must be used in the year earned. A maximum of six weeks of sick leave is allowed for maternity and/or surgery. Additional sick leave may be granted at the discretion of the Assessor. Sick leave is not accrued.

Use of Estimates

The Assessor uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures or expenses, as appropriate.

Other Postemployment Benefit Liability

The Assessor applies the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This pronouncement requires the Assessor to calculate and recognize a net *other postemployment benefit* (OPEB) liability or asset at December 31, 2021. See Note 8 for further details.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

The Assessor applies the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This pronouncement requires the Assessor to calculate and recognize a net pension liability or asset at year end. For purposes of measuring the net pension asset, 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 (Fund) and additions to/deductions from the Fund fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 7 for further details.

Subsequent Events

The Assessor has evaluated subsequent events through June 29, 2022, the date the financial statements were available to be issued.

NOTE 2 LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Assessment District	3.05	3.05

Total taxes levied during 2021 were \$1,643,051. Taxes receivable at December 31, 2021 consists of \$1,372,374 for the 2021 assessment, of which \$23,906 is considered uncollectible.

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ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 2 LEVIED TAXES (CONTINUED)

Following are the principal taxpayers for the Parish:

	Type of Taxpayer	Assessed Valuation	Percentage of Total Assessed Valuation
Cleco Power, LLC	Public Utility	\$ 25,923,200	4.23%
Chevron NA Exploration	Oil & Gas	14,894,381	2.43%
Onesubsea, LLC	Oil & Gas	11,422,628	1.86%
Birla Carbon USA, Inc	Spec. Chemicals	10,798,898	1.76%
Cabot Corporation	Spec. Chemicals	10,626,926	1.73%
Cameron International Corp.	Oil & Gas	9,108,615	1.49%
Carey Salt Co.	Mining	7,110,398	1.16%
Zydeco Pipeline Company, LLC	Oil & Gas	6,509,170	1.06%
Sterling Sugars, LLC	Refinery	5,957,293	0.97%
Texas Petroleum Investments	Oil & Gas	<u>5,918,933</u>	<u>0.97%</u>
		<u>\$ 108,270,442</u>	<u>17.66%</u>

The total assessed valuation for all taxpayers at December 31, 2021 is \$613,257,680.

NOTE 3 CASH AND CASH EQUIVALENTS

At December 31, 2021, the Assessor has cash and cash equivalents (book balances) totaling \$351,130 as follows:

Demand deposits	\$ 151,980
Money market accounts	<u>199,150</u>
Total	<u>\$ 351,130</u>

At December 31, 2021, the Assessor had \$390,313 in deposits (bank balances), which were 100% covered by federal deposit insurance. Cash and interest-bearing deposits are stated at cost, which approximates market. Under state law, these deposits 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.

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. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 4 INVESTMENTS

The Assessor can invest in securities of the United States Government, unless such an investment is expressly prohibited by law. Investments held at December 31, 2021 consist of \$4,181,123 in the Louisiana Asset Management Pool (LAMP). 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 Louisiana R.S. 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, 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, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools.

Credit Risk – LAMP is rated AAAM by Standard & 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 with 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 of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP’s total investments is 58 days as of December 31, 2021.

Foreign currency risk – Not applicable.

The investments in LAMP are stated at fair value. 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 net asset 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 SEC as an investment company.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, is as follows:

	Balance <u>12/31/2020</u>	Additions	Deletions	Balance <u>12/31/2021</u>
Capital assets being depreciated:				
Equipment	\$ 203,701	\$ -	\$ -	\$ 203,701
Automobiles	48,080	-	20,628	27,452
Office Improvements	43,819	-	-	43,819
Mapping	344,006	-	-	344,006
Software	<u>104,750</u>	-	-	<u>104,750</u>
Total capital assets being depreciated	744,356	-	20,628	723,728
Less accumulated depreciation for:				
Equipment	185,098	5,403	-	190,501
Automobiles	32,066	5,490	20,628	16,928
Office Improvements	40,325	2,537	-	42,862
Mapping	344,006	-	-	344,006
Software	<u>104,750</u>	-	-	<u>104,750</u>
Total accumulated depreciation	<u>706,245</u>	<u>13,430</u>	<u>20,628</u>	<u>699,047</u>
Capital assets being depreciated, net	<u>38,111</u>	<u>(13,430)</u>	<u>-</u>	<u>24,681</u>
Capital assets, net	<u>\$ 38,111</u>	<u>\$ (13,430)</u>	<u>\$ -</u>	<u>\$ 24,681</u>

Depreciation charged to expense was \$13,430 for the year ended December 31, 2021.

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ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 6 DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2021, consist of the following:

Mapping project reimbursement:

Recreation District # 2	<u>\$ 656</u>
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NOTE 7 PENSION PLAN

Plan Description –

Substantially all employees of the Assessor’s office are members of the Louisiana Assessors’ Retirement Fund (Fund). The Fund was created by Act 91 Section 1 of the 1950 regular Legislative Session and is administered by a separate board of trustees. 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 Fund is a condition of employment for Assessors and their full time employees. The Fund issues a publicly available financial report that can be obtained at www.louisianaassessors.org.

Benefits Provided –

The following is a description of the plan and its benefits and is provided for general informational purposes only. The Fund provides pension, death, disability, back-deferred retirement option (Back-DROP), and excess benefits. Participants should refer to the Plan Agreement for more complete information.

1. Pension Benefits

Employees who were hired before October 1, 2013, will be eligible for pension benefits once they have either reached the age of 55 and have at least 12 years of service or have at least 30 years of service, regardless of age. Employees who were hired on or after October 1, 2013, will be eligible for pension benefits once they have either reached the age of 60 and have at least 12 years of service or have reached the age of 55 and have at least 30 years of service.

Employees who became members prior to October 1, 2006, are entitled to annual pension benefits equal to 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 became members on or after October 1, 2006, will have their benefit based on the highest 60 months of consecutive service. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 7 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 employees' lives in the form of a monthly annuity. Employees may elect a reduced benefit or any of four options at retirement:

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

2. Death Benefits

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

- a. 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.
- b. 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.
- c. 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.
- d. Benefits set forth in item b. 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.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 7 PENSION PLAN (CONTINUED)

3. Disability Benefits

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

- a. A sum equal to the greater of 45% of final average compensation, or the member's accrued retirement benefit at the time of termination of employment due to disability; or
- b. 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.

4. 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:

- a. The member has accrued more service credit than the minimum required for eligibility for a normal retirement benefit.
- b. The member has attained an age that is greater than the minimum required for eligibility for a normal retirement benefit, if applicable.
- c. 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 36 months or the number of months of creditable service accrued after the member first attained eligibility for normal retirement.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 7 PENSION PLAN (CONTINUED)

The Back-DROP period shall be comprised of the most recent calendar days corresponding to the member's employment for which service credit in the Fund accrued.

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

- a. Creditable service shall not include service credit reciprocally recognized pursuant to R.S. 11:142.
- b. Accrued service at retirement shall be reduced by the Back-DROP.
- c. Final average compensation shall be calculated by excluding all earnings during the Back-DROP period.
- d. 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.
- e. 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.
- f. At retirement, the member's maximum monthly retirement benefit payable as a life annuity shall be equal to the Back-DROP monthly benefit.
- g. The member may elect to receive a reduced monthly benefit in accordance with the options provided in R.S. 11:1423 based upon the member's age and the age of the member's beneficiary as of the actual effective date of retirement. No change in the option selected or beneficiary shall be permitted after the option is filed with the Board of Trustees.

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

Upon the death of a member who selected the maximum option pursuant to R.S. 11:1423, the member's named beneficiary or, if none, the member's estate shall receive the deceased member's remaining contributions, less the Back-DROP benefit amount. Upon the death of a member who selected Option 1 pursuant to R.S. 11:1423, the member's named beneficiary or, if none, the member's estate, shall receive the member's annuity

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 7 PENSION PLAN (CONTINUED)

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.

5. Excess Benefit Plan

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

Contributions –

Contributions for all members are established by statute at 8.00% of earned compensation. The contributions are deducted from the member's salary and remitted by the participating agency.

Administrative costs of the Fund are financed through employer contributions. According to state statute, contributions for all employers are actuarially determined each year. The actuarially-determined employer contribution rate was 2.85% and 3.01% for the years ended September 30, 2021 and 2020, respectively. The actual employer contribution rate was 8.00% of members' earnings for the years ended September 30, 2021 and 2020, respectively.

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

The Assessor's contributions to the plan for the years ended December 31, 2021, 2020, and 2019 were \$105,778; \$116,649; and \$120,993; respectively. In 2021, 2020, and 2019, the Assessor elected to make the required contributions of plan members in lieu of a pay raise. The contributions made on behalf of eligible employees in 2021, 2020, and 2019 were \$50,234, \$58,324, and \$60,496, respectively, and were equal to the required contributions for each year.

The Assessor recognized revenue of \$225,722 equal to the amount of contributions made by non-employer contributing entities.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 7 PENSION PLAN (CONTINUED)

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

At December 31, 2021, the Assessor reported an asset of \$496,812 for its proportionate share of the net pension asset. The net pension asset was measured as of September 30, 2021 and the total pension asset used to calculate the net pension benefit was determined by an actuarial valuation as of that date. The Assessor’s proportion of the net pension asset was based on the Assessor’s projected contribution effort to the plan for the next fiscal year as compared to the total of all employers’ projected contribution effort to the plan for the next fiscal year, actuarially determined. At September 30, 2021, the Assessor’s proportion was 1.511167%, which was a decrease of 0.093762% from its proportion measured as of September 30, 2020.

For the year ended December 31, 2021, the Assessor recognized pension expense of \$22,820.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 39,739	\$ 132,121
Changes of assumptions	515,588	-
Net difference between projected and actual earnings on pension plan investments	-	791,443
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,223	14,061
Employer contributions subsequent to the measurement date	8,851	-
Total	<u>\$ 565,401</u>	<u>\$ 937,625</u>

Assessor contributions subsequent to the measurement date in the amount of \$8,851 reported as deferred outflows of resources related to pensions will be recognized as an increase of the net pension asset in the year ending December 31, 2021.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 7 PENSION PLAN (CONTINUED)

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

Year ending December 31,	
2022	\$ (79,279)
2023	(83,799)
2024	(146,032)
2025	(108,296)
2026	<u>36,331</u>
Total	<u>\$ (381,075)</u>

Actuarial Assumptions –

A summary of the actuarial methods and assumptions used in determining the total pension asset as of September 30, 2021 are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Approach	Closed
Actuarial Assumptions:	
Expected Remaining	
Service Lives	6 years
Investment Rate of Return (discount rate)	5.50%, net of pension plan investment expense, including inflation
Inflation Rate	2.10%
Salary Increases	5.25%
Annuitant and Beneficiary Mortality	Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale.
Active Member Mortality	Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale.
Disabled Lives Mortality	Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale.
Retiree Cost of Living Increases	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 7 PENSION PLAN (CONTINUED)

With the exception of mortality, the actuarial assumptions used in the September 30, 2021 valuation were based on the results of an actuarial experience study for the period October 1, 2014 through September 30, 2019, unless otherwise specified. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

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 expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of 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%

The long-term expected rate of return selected by the Fund for the measurement period ended September 30, 2021 was 5.50%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions and the other assumptions and methods as specified, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Thus, the discount rate used to measure the total pension liability was 5.50%.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 7 PENSION PLAN (CONTINUED)

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

The following presents the Assessor’s proportionate share of the net pension liability (asset) using the discount rate of 5.50%, as well as what the Assessor’s proportionate share of the net pension liability (asset) 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 the same):

	1.0% Decrease (4.50%)	Current Discount Rate (5.50%)	1.0% Increase (6.50%)
Assessor's proportionate share of the net pension liability (asset)	<u>\$ 380,990</u>	<u>\$ (496,812)</u>	<u>\$ (1,242,105)</u>

Pension Plan Fiduciary Net Position –

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.gov, or by contacting the Louisiana Assessors’ Retirement Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS

Plan Description –

The Assessor provides continuation of healthcare benefits and life insurance to those retired employees who reached the normal retirement age while employed by the Assessor. The plan is a single employer defined benefit insurance plan administered by the Insurance Committee of the Assessors’ Insurance Fund dba Louisiana Assessors’ Association. The Insurance Committee of the Assessors’ Insurance Fund has the authority to establish and amend the benefit provisions of the plan. The plan issues a publicly available financial report. That report may be obtained by writing to Louisiana Assessors’ Insurance Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898, or by calling (800) 925-4446. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided –

The Assessor pays half of the monthly premiums for medical and dental benefits and the retiree pays the other half of the monthly premiums. The Assessor recognizes the cost as an expenditure when paid during the year. The benefits are financed on a pay-as-you-go basis.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Membership –

Membership in the plan consisted of the following at January 1, 2020, the date of the last full actuarial valuation.

Actives	12
Retirees	5
Spouses of Retirees	<u>2</u>
Total	<u>19</u>

Total OPEB Liability –

The Assessor’s total OPEB liability of \$6,852,519 was measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions –

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Valuation date	January 1, 2020
Measurement date	December 31, 2021
Actuarial cost method	Entry age normal
Inflation rate	2.20%
Salary scale	3.00%
Discount rate	2.06%
Healthcare cost trend	5.40% - 6.40%
Mortality rates	Healthy Retirement: Sex-distinct Pub-2010 General Mortality with separate employee and healthy annuitant rates, projected generationally using Scale MP-2021. Beneficiaries: Sex-distinct Pub-2010 General Contingent Survivors Mortality, projected generationally using Scale MP-2021. Disability Retirement: Sex-distinct Pub-2010 General Disabled Retirees Mortality, projected generationally using Scale MP-2021

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

The plan has not had a formal actuarial experience study performed.

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in Total OPEB Liability –

	Increase (Decrease) <u>Total OPEB Liability</u>
Balance as of December 31, 2020	\$ 6,607,804
Changes for the year:	
Service Cost	116,712
Interest on total OPEB liability	141,372
Effect of assumptions changes or inputs	99,191
Benefit payments	<u>(112,560)</u>
Net changes	<u>244,715</u>
Balance as of December 31, 2021	<u>\$ 6,852,519</u>

Sensitivity Analysis –

The following presents the total OPEB liability of the Assessor, calculated using the discount rate of 2.06%, 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 (1.06%) or 1 percentage point higher (3.06%) than the current rate.

	<u>1.0% Decrease (1.06%)</u>	<u>Discount Rate (2.06%)</u>	<u>1.0% Increase (3.06%)</u>
Total OPEB liability	\$ <u>8,281,197</u>	\$ <u>6,852,519</u>	\$ <u>5,745,512</u>

The following presents the total OPEB Liability of the Assessor, calculated using the current healthcare cost trend rates as well as what the Assessor’s total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	<u>1.0% Decrease</u>	<u>Current Trend Rate</u>	<u>1.0% Increase</u>
Total OPEB liability	\$ <u>5,707,559</u>	\$ <u>6,852,519</u>	\$ <u>8,349,890</u>

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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 \$815,873. 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 Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 23,522	\$ -
Changes of assumptions	<u>930,773</u>	<u>-</u>
Total	<u>\$ 954,295</u>	<u>\$ -</u>

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

Year ending December 31,	
2022	\$ 513,162
2023	330,261
2024	97,745
2025	<u>13,127</u>
Total	<u>\$ 954,295</u>

NOTE 9 CHANGES IN GENERAL LONG-TERM LIABILITIES

The following is a summary of the long-term liability transactions during the year:

	<u>Balance 12/31/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2021</u>	<u>Due Within One Year</u>
Other postemployment benefit liability	\$ 6,607,804	\$ 244,715	\$ -	\$ 6,852,519	\$ -
Net pension liability (asset)	<u>245,195</u>	<u>-</u>	<u>742,007</u>	<u>(496,812)</u>	<u>-</u>
Total	<u>\$ 6,852,999</u>	<u>\$ 244,715</u>	<u>\$ 742,007</u>	<u>\$ 6,355,707</u>	<u>\$ -</u>

ST. MARY PARISH ASSESSOR

Notes to the Financial Statements

NOTE 10 OPERATING LEASES

The Assessor entered into a 12-month cancelable lease agreement for the satellite office located in Morgan City commencing on January 1, 2021. The rent expense for January 1, 2021 through December 31, 2021 was \$4,800.

The Assessor entered into a 60-month cancelable vehicle lease for \$880 per month beginning on May 3, 2018. Payments on the lease totaling \$10,558 were made during the year ended December 31, 2021.

NOTE 11 EXPENDITURES OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS

Louisiana Revised Statute 33:4713 requires the St. Mary Parish Government to provide the Assessor with all necessary office space, utilities, furniture, equipment, supplies, and maps. The Assessor's office is located in the St. Mary Parish Courthouse. The maintenance of the courthouse is paid by the St. Mary Parish Government.

NOTE 12 RISK MANAGEMENT

The Assessor is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Assessor has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The Assessor is insured up to policy limits for each of the above risks. There were no significant changes in coverage, retentions, or limits during the year ended December 31, 2021. Settled claims have not exceeded the commercial coverage in any of the previous three fiscal years.

NOTE 13 COVID-19 PANDEMIC

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. The World Health Organization has characterized COVID-19 as a pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our taxpayers, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

REQUIRED SUPPLEMENTARY INFORMATION

ST. MARY PARISH ASSESSOR

Budgetary Comparison Schedule – General Fund
For the Year Ended December 31, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Ad valorem taxes	\$ 1,661,000	\$ 1,546,710	\$ 1,640,388	\$ 93,678
State revenue sharing	54,000	55,018	55,210	192
Charges for services	2,550	-	16,518	16,518
Interest and investment earnings	26,000	4,472	4,422	(50)
Miscellaneous	<u>5,000</u>	<u>8,572</u>	<u>8,572</u>	<u>-</u>
Total revenues	1,748,550	1,614,772	1,725,110	110,338
Expenditures				
Current -				
General government:				
Legal and professional fees	75,000	57,362	61,330	(3,968)
Materials and supplies	45,000	46,605	34,799	11,806
Operating services and supplies	236,800	188,401	188,206	195
Personal services and related benefits	1,295,748	1,264,995	1,310,030	(45,035)
Travel and seminars	11,500	7,456	7,099	357
Capital outlays	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,694,048</u>	<u>1,564,819</u>	<u>1,601,464</u>	<u>(36,645)</u>
Net change in fund balance	54,502	49,953	123,646	73,693
Fund balance, beginning	<u>5,694,235</u>	<u>5,694,235</u>	<u>5,694,235</u>	<u>-</u>
Fund balance, ending	<u>\$ 5,748,737</u>	<u>\$ 5,744,188</u>	<u>\$ 5,817,881</u>	<u>\$ 73,693</u>

See independent auditor's report and accompanying notes to the required supplementary information.

ST. MARY PARISH ASSESSOR

Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 116,712	\$ 95,545	\$ 58,678	\$ 87,924
Interest on total OPEB liability	141,372	161,913	183,472	126,105
Effect of economic/demographic gains or (losses)	-	20,560	-	79,770
Effect of assumption changes or inputs	99,191	555,525	1,233,969	619,413
Benefit payments	<u>(112,560)</u>	<u>(78,287)</u>	<u>(78,833)</u>	<u>(71,105)</u>
Net change in total OPEB liability	244,715	755,256	1,397,286	842,107
Total OPEB liability, beginning	<u>6,607,804</u>	<u>5,852,548</u>	<u>4,455,262</u>	<u>3,613,155</u>
Total OPEB liability, ending	<u>\$ 6,852,519</u>	<u>\$ 6,607,804</u>	<u>\$ 5,852,548</u>	<u>\$ 4,455,262</u>
Covered payroll	\$ 860,921	\$ 873,094	\$ 802,130	\$ 825,975
Total OPEB liability as a % of covered payroll	795.95%	756.83%	729.63%	539.39%

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

See independent auditor's report and accompanying notes to the required supplementary information.

ST. MARY PARISH ASSESSOR

Schedule of Proportionate Share of Net Pension Liability (Asset)
For the Year Ended December 31, 2021

Plan Year Ended September 30	Employer proportion of the net pension liability (asset)	Employer proportionate share of the net pension liability (asset)	Employer's covered employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2015	1.70069%	\$ 890,008	\$ 714,617	124.54%	85.57%
2016	1.69142%	596,850	736,403	81.05%	90.68%
2017	1.71323%	300,621	752,138	39.97%	95.61%
2018	1.68518%	327,605	742,804	44.10%	95.46%
2019	1.69279%	446,526	753,103	59.29%	94.12%
2020	1.60493%	245,195	737,778	33.23%	96.79%
2021	1.51117%	(496,812)	699,553	(71.02%)	106.48%

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

See independent auditor's report and accompanying notes to the required supplementary information.

ST. MARY PARISH ASSESSOR

Schedule of Contributions
For the Year Ended December 31, 2021

Year Ended December 31	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 96,226	\$ 96,226	\$ -	\$ 712,782	13.50%
2016	94,631	94,631	-	749,555	12.62%
2017	70,806	70,806	-	743,888	9.52%
2018	60,124	60,124	-	751,553	8.00%
2019	60,496	60,496	-	756,203	8.00%
2020	58,324	58,324	-	729,053	8.00%
2021	50,234	50,234	-	694,303	7.24%

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

See independent auditor's report and accompanying notes to the required supplementary information.

ST. MARY PARISH ASSESSOR

Notes to the Required Supplementary Information

NOTE 1 BUDGETARY BASIS OF ACCOUNTING

The budgetary basis is in accordance with generally accepted accounting principles (GAAP).

NOTE 2 BUDGETARY PRACTICES

The Assessor uses the following budgetary practices:

1. A proposed budget for the fiscal year is prepared prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection.
3. A public hearing is held on the proposed budget after publication of the call for the hearing.
4. After a public hearing is held and all action necessary to finalize and implement the budget is completed, the budget is adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Assessor.
6. All budgetary appropriations lapse at the end of each fiscal year.

NOTE 3 PENSION PLAN

Changes of Benefit Terms – There were no changes of benefit terms for the Pension Plan during the year presented.

Changes of Assumptions – The discount rate changed from 5.75% to 5.50% for the Pension Plan during the year presented.

NOTE 4 OTHER POSTEMPLOYEMENT BENEFITS

Changes of Benefit Terms – There were no changes of benefit terms for the OPEB Plan during the year presented.

Changes of Assumptions – The discount rate changed from 2.12% to 2.06% for the OPEB Plan during the year presented.

OTHER SUPPLEMENTARY INFORMATION

ST. MARY PARISH ASSESSOR

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2021

Agency Head Name: Jarrod K. Longman, Assessor

<u>Purpose</u>	<u>Amount</u>
Salary (as allowed by Louisiana R.S. 47:1907)	\$ 158,746
Benefits - insurance (as allowed by Louisiana R.S. 47:1923)	25,694
Benefits - retirement (as allowed by Louisiana R.S. 11:1481)	24,208
Benefits - other (as allowed by Louisiana R.S. 42:1301-1309)	<u>13,000</u>
Total	<u>\$ 221,648</u>

See independent auditor's report.

**INTERNAL CONTROL,
COMPLIANCE,
AND OTHER INFORMATION**



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

The Honorable Jarrod K. Longman, Assessor
St. Mary Parish Assessor
Franklin, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the St. Mary Parish Assessor (Assessor), a component unit of the St. Mary Parish Council, 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, and have issued our report thereon dated June 29, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana

June 29, 2022

ST. MARY PARISH ASSESSOR

Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2021

There were no findings noted during the prior year audit.

ST. MARY PARISH ASSESSOR

Schedule of Findings and Responses
For the Year Ended December 31, 2021

Part 1: Summary of Auditor's Reports

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unmodified opinion has been issued on the St. Mary Parish Assessor's financial statements as of and for the year ended December 31, 2021.

Deficiencies in Internal Control – Financial Reporting

There were no deficiencies in internal control over financial reporting noted during the audit.

Material Noncompliance – Financial Reporting

There were no material instances of noncompliance noted during the audit.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended December 31, 2021.

MANAGEMENT LETTER

A management letter was not issued for the fiscal year ended December 31, 2021.

Part 2: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

There were no findings noted during the audit.

Part 3: Findings and Questioned Costs Relating to Federal Programs

At December 31, 2021, the St. Mary Parish Assessor did not meet the requirements to have a single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; therefore, this section is not applicable.

ST. MARY PARISH ASSESSOR

Management's Corrective Action Plan for Current Year Findings
For the Year Ended December 31, 2021

There were no findings noted during the audit.



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Jarrod K. Longman, St. Mary Parish Assessor and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The Entity 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 fiscal period January 1, 2021 to 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.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether 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.

Written policies and procedures were obtained and address the functions noted above.

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.

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Written policies and procedures were obtained and address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (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.

Written policies and procedures were obtained and address the functions noted above.

- 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.

Written policies and procedures were obtained and address the functions noted above.

- 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).

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Written policies and procedures were obtained and address the functions noted above.

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

Not applicable, the entity has no outstanding debt.

- 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.

Written policies and procedures were obtained and address all functions noted above.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policies and procedures were obtained and address all functions noted above.

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 as the entity is managed by a single elected official.

- 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, quarter budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds

This procedure is not applicable as the entity is managed by a single elected official.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

No deficit spending noted for the entity.

Bank Reconciliations

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

Obtained listing of bank accounts from management and management's representation that the listing is complete.

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

No exceptions noted.

- 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

No exceptions noted.

- 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.

Not applicable.

Collections (excluding electronic fund transfers)

4. Obtain a listing of deposit sites 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).

Obtained listing of deposit sites and management's representation that the listing is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Obtained listing of collection locations from management and management's representation that the listing is complete.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

The entity does not maintain cash drawers/registers as all income comes in the form of checks.

- 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.

No exceptions noted.

- 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.

No exceptions noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted.

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

Observed the policy without exception.

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

- a) Observe that receipts are sequentially pre-numbered.

The Entity does not use pre-numbered receipts as all collections are through mail by check. Collection documentation was obtained and daily collections are supported by documentation.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- 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).

No exceptions noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

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).

Listing of locations that process payments and management's representation that the listing is complete was obtained.

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

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

No exceptions noted.

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

No exceptions noted.

- 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.

No exceptions noted.

- 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.

No exceptions noted.

- 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 supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions noted.

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

Observed disbursement documentations for each of the five disbursements selected and found that there is no evidence of segregation of duties because a purchase order system is not used.

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

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

Listing of active credit cards and fuel, including the card numbers and the names of the persons who maintained possession of the cards, and management's representation that the listing is complete was obtained.

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.]

No exceptions noted.

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

No exceptions noted.

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.

No exceptions noted.

Travel and Travel-Related Expense Reimbursement

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:

No travel reimbursements in current year.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Not applicable.

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

Not applicable.

- 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).

Not applicable

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

Not applicable.

Contracts

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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Listing of all contracts in effect and management's representation that the listing is complete was obtained.

- 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.

Not applicable.

- 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).

No exceptions noted.

- 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.)

Not applicable.

- 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 noted.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Listing of employees and management's representation that the listing is complete was obtained. Authorized salaries/pay rates traced to personnel files without exception.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

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's 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

Not applicable. There were no terminations during the fiscal period.

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 associated forms have been filed, by required deadlines.

No exceptions noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted.

- b) Observe whether 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.

Not applicable.

Debt Service

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 that State Bond Commission approval was obtained for each debt instrument issued.

Not applicable.

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).

Not applicable.

Fraud Notice

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.

No misappropriations of public funds and assets noted.

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

No exceptions noted.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report “We 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 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.

We performed the procedure and discussed the results with management.

- 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.

We performed the procedure and discussed the results with management.

- 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.

We performed the procedure and discussed the results with management.

Sexual Harassment

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 the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

No exceptions noted.

27. Observe 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 noted.

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 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;

Observed 100% of public servants in the agency have completed training requirements without exception.

- b) Number of sexual harassment complaints received by the agency;

No sexual harassment complaints were received by the agency.

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

Not applicable.

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Not applicable.

- e) Amount of time it took to resolve each complaint.

Not applicable.

We were engaged by the Entity to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review 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, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Entity and to meet our 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.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Morgan City, Louisiana
June 29, 2022



Jarrold K. Longman, CLA

Assessor, St. Mary Parish

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

Non-Payroll Disbursements

10. b) Management is aware of the condition giving rise to the exception. Management will review procedures for initiating and approving purchases if it is determined that such modification is warranted.

Jarrold K. Longman 6-29-2022

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