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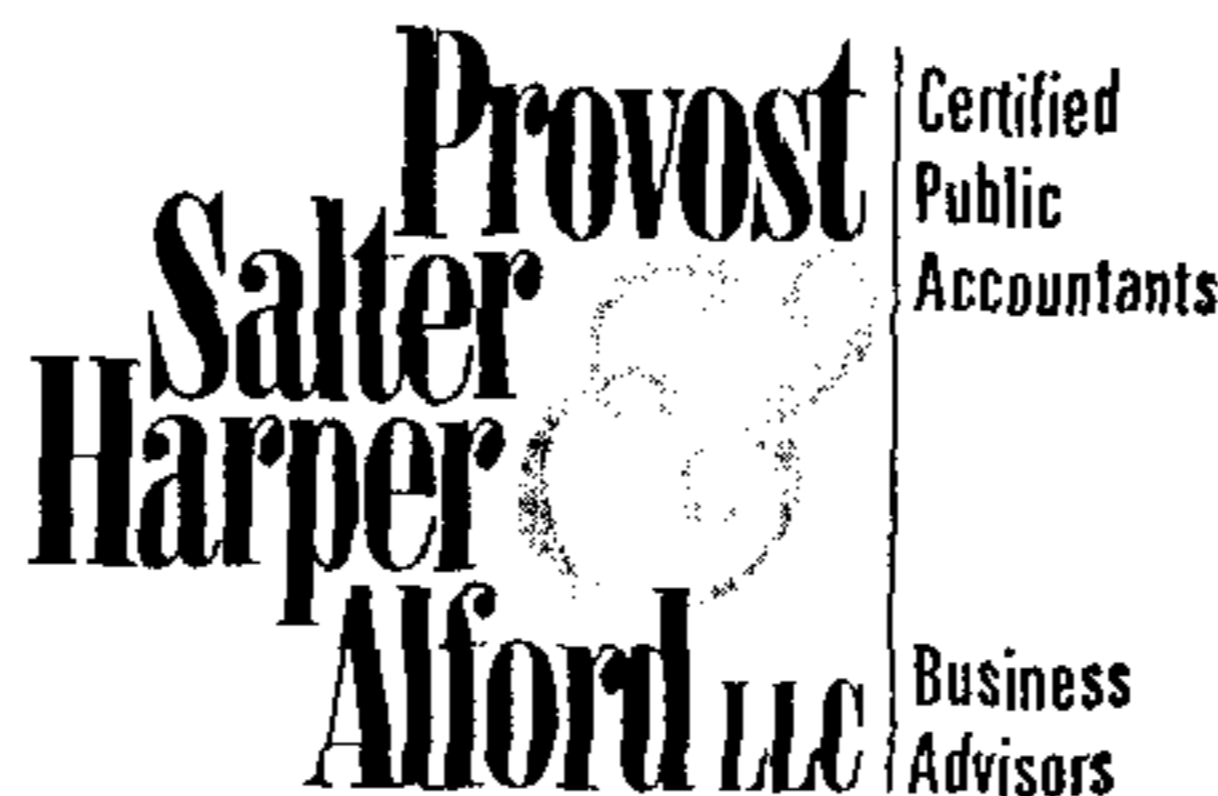
**EAST BATON ROUGE PARISH  
ASSESSOR'S OFFICE  
BATON ROUGE, LOUISIANA**

**FINANCIAL REPORT**

**December 31, 1999**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 26 2000



8550 United Plaza Boulevard, Suite 600, Baton Rouge, Louisiana 70809, Phone: (225) 924-1772 / Facsimile: (225) 927-9075

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# **EAST BATON ROUGE PARISH ASSESSOR'S OFFICE**

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*December 31, 1999*

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## INDEPENDENT AUDITOR'S REPORT ON THE GENERAL PURPOSE FINANCIAL STATEMENTS

Honorable Frank Granger, III, Assessor  
East Baton Rouge Parish Assessor's Office  
Baton Rouge, Louisiana

We have audited the accompanying general purpose financial statements of the East Baton Rouge Parish Assessor's Office as of December 31, 1999, and the individual fund financial statements of the East Baton Rouge Assessor's Office for the years ended December 31, 1999 and 1998, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the East Baton Rouge Parish Assessor's Office's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the East Baton Rouge Parish Assessor's Office at December 31, 1999, in conformity with generally accepted accounting principles. Also, in our opinion, the individual fund financial statements referred to above presents fairly, in all material respects, the results of operations of such fund for the years then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2000 on our consideration of the East Baton Rouge Parish Assessor's Office's internal control over financial reporting, and our tests of its compliance with laws and regulations.

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

Provost, Salter, Harper & Alford, L.L.C.

April 19, 2000

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**EAST BATON ROUGE PARISH ASSESSOR'S OFFICE**

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*General Purpose Financial Statements*

*December 31, 1999*

**EAST BATON ROUGE PARISH ASSESSOR'S OFFICE**

**Combined Balance Sheet - All Fund Types and Account Group** **December 31, 1999**

ASSETS	Governmental	General	Fixed Asset	Total
	Fund Type	Account	(Memorandum Only)	
	General	Group	1999	1998
Cash	\$ 909,356	\$ -	\$ 909,356	\$ 1,120,541
Investments	1,500,000	-	1,500,000	900,000
Equipment, at cost	-	439,826	439,826	680,518
<b>Total Assets</b>	<b>\$ 2,409,356</b>	<b>\$ 439,826</b>	<b>\$ 2,849,182</b>	<b>\$ 2,701,059</b>

**LIABILITIES, EQUITY AND OTHER CREDITS**

<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 3,182
<b>Equity and Other Credits</b>				
Investment in general fixed assets	-	439,826	439,826	680,518
Fund balance				
Unreserved, undesignated	2,409,356	-	2,409,356	2,017,359
Total equity and other credits	2,409,356	439,826	2,849,182	2,697,877
<b>Total Liabilities, Equity and Other Credits</b>	<b>\$ 2,409,356</b>	<b>\$ 439,826</b>	<b>\$ 2,849,182</b>	<b>\$ 2,701,059</b>



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# EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

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*Notes to Financial Statements*

*December 31, 1999*

## **1. Summary of Significant Accounting Policies**

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the Assessor is elected by the voters of the parish and serves a four year term. The Assessor assesses all real and movable property in the parish, subject to ad valorem taxation. The Assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and provides 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 East Baton Rouge Parish Courthouse in Baton Rouge, Louisiana. The Assessor's Office employs 54 employees, including 53 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, 1999, there are 188,826 real property assessments totaling \$2,196,149,260. This represents an increase of 2,007 assessments and an increase of \$85,625,320 in assessed value over the prior year.

### **A. Basis of Presentation**

The accompanying general purpose financial statements of the East Baton Rouge Parish Assessor have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

### **B. Reporting Entity**

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

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## EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

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*Notes to Financial Statements, Continued*

*December 31, 1999*

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

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the council to impose its will on that organization and/or,
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the 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 council does not appoint the Assessor, does not provide funding, or have any control over the Assessor, the Assessor has determined that the office is not a component unit of the East Baton Rouge Parish Council. The accompanying financial statements present information only on the funds maintained by the Assessor and do not present information on the council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity of East Baton Rouge Parish.

### **C. Fund Accounting**

The Assessor uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.



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## EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

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*Notes to Financial Statements, Continued*

*December 31, 1999*

Funds of the assessor are classified as governmental funds. Governmental funds account for the assessor's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets. Governmental funds of the assessor include:

**General Fund.** The General Fund, (known as the Assessor's Salary and Expense 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 received from the various taxing bodies, prescribed by formula in Louisiana Revised Statutes 47:1907-1908, is accounted for in this fund. General operating expenditures are paid from this fund.

### **D. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement of the General Fund presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

**Revenues.** Tax revenue is recognized in the budgetary period for which the taxes are collected. Revenues are received from the Sheriff and Tax Collector of East Baton Rouge Parish in varying periodic payments as the ad valorem taxes are collected. Ad valorem taxes are assessed on December 1, for the calendar year, become due on December 31, and are considered past due and subject to penalties if not paid by January 31, of the following year. Interest revenue is recognized when earned.

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

### **E. Budgets**

Annually, the Assessor's Office adopts a budget for the General Fund on a basis consistent with generally accepted accounting principles. The budgetary practices include public notice, inspection and hearing requirements, which must be completed prior to December 15 of each year. Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts are as originally adopted. The Assessor has administrative authority to make changes or amendments within various budget classifications. No amendments have been made to the original budget.

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# EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

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*Notes to Financial Statements, Continued*

*December 31, 1999*

## **F. Cash and Investments**

Cash includes amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the Assessor's Office. 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.

Under state law, the Assessor may invest in United States bonds, treasury notes, or certificates of deposit in Louisiana banks, or any other federally insured investment.

## **G. Fixed Assets**

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized in the general fixed asset account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

## **H. Compensated Absences**

Vacation and sick leave benefits must be taken in the year earned and no carryover of unused leave is allowed. In accordance with the provision of Statement of Financial Accounting Standards No. 43, *Accounting For Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive vacation or sick pay benefits.

## **I. Total Columns On Statements**

The total columns on the statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

## **J. Risk Management**

The Assessor's Office 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's Office purchases commercial insurance policies at levels which management believes is adequate to protect the Assessor's Office. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

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# EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

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*Notes to Financial Statements, Continued*

*December 31, 1999*

## 2. Levied Taxes

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

	<b>Authorized Millage</b>	<b>Levied Millage</b>
Assessor's Salary and Expense Fund	1.60	1.53

The following are the principal taxpayers for the parish (amounts expressed in thousands):

<b>Taxpayer</b>	<b>Type of Business</b>	<b>Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>
Exxon	Oil and chemical refining	148,355,390	.068
Entergy Gulf States, Inc.	Utility	57,971,760	.026
Bellsouth Communications	Telephone company	55,309,760	.025
BankOne and BancOne	Commercial bank	33,860,600	.015
Georgia Pacific Corporation	Pulp processing	27,796,220	.013
Hibernia National Bank	Commercial bank	22,689,250	.010

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## EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

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Notes to Financial Statements, Continued

December 31, 1999

### 3. Cash Deposits and Investments

Deposits and investments are carried at cost and consist of the following

	<u>December 31, 1999</u>	
	<u>Carrying</u>	<u>Bank</u>
	<u>Amount</u>	<u>Balance</u>
Cash, including certificates of deposit with a maturity date within three months		
Insured (FDIC)	\$ 479,000	\$ 479,000
Uninsured		
Collateral held by the pledging bank, but not in the Assessor's name (category 3)	<u>430,356</u>	<u>200,000</u>
	<u>909,356</u>	<u>679,000</u>
Investments, consisting of certificates of deposit with a maturity date in excess of three months having a market value approximating the carrying amount		
Insured (FDIC)	500,000	500,000
Uninsured		
Collateral held by the pledging bank, but not in the Assessor's name (category 3)	<u>1,000,000</u>	<u>1,000,000</u>
	<u>1,500,000</u>	<u>1,500,000</u>
	\$ 2,409,356	\$ 2,179,000

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

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, 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.



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## EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

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*Notes to Financial Statements, Continued*

*December 31, 1999*

### 4. Changes in General Fixed Assets

A summary of changes in equipment follows.

	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
Equipment	\$ 680,518	\$ 61,724	\$ 302,416	\$ 439,826

### 5. Retirement Commitments

#### Louisiana Assessors' Retirement Fund

Plan Description and Provisions. Substantially, all employees of the East Baton Rouge Parish Assessor's Office are members of the Louisiana Assessors' Retirement System ("System"), a cost sharing, multiple employer defined benefit pension plan administered by a separate Board of Trustees.

All full time employees who are under the age of 60 at the time of original employment and who are not drawing earned retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service, or who retire at or after age 50 with at least 30 years of credited service, are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final average salary for each year of credited service, not to exceed 100% of their final average. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service, and who do not withdraw their employee contributions, may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 14699, Baton Rouge, Louisiana 70898-1699, or by calling (225) 928-8886.

Description of Funding Policy. Plan members are required by state statute to contribute 7.0 percent of their annual covered salary and the East Baton Rouge Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 5.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one

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## **EAST BATON ROUGE PARISH ASSESSOR'S OFFICE**

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*Notes to Financial Statements, Continued*

*December 31, 1999*

percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the East Baton Rouge Parish Assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The East Baton Rouge Parish Assessor's contributions to the System for the years ending December 31, 1999, 1998, and 1997, were \$87,624, \$83,229, and \$80,241, respectively, equal to the required contributions for each year.

### **6. Post Retirement Commitments**

The Assessor's Office provides certain health care and life insurance benefits for retired employees. Substantially all of the Assessor's office employees may become eligible for those benefits if they reach normal retirement age while working for the Office. The cost of the retiree health care and life insurance benefits is recognized as expenditures as monthly premiums are paid. For 1999, those costs totaled \$57,024. The number of retiree's currently receiving benefits is 18.



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**EAST BATON ROUGE PARISH ASSESSOR'S OFFICE**

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*Individual Fund Statements*

*December 31, 1999*

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## **EAST BATON ROUGE PARISH ASSESSOR'S OFFICE**

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*General Fund*

*December 31, 1999*

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

**EAST BATON ROUGE PARISH ASSESSOR'S OFFICE**

*General Fund* *Years Ended December 31, 1999 and 1998*

*Comparative Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual*

	1999		1998		Variance - Favorable (Unfavorable)	Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
<b>Revenues</b>						
Ad valorem taxes	\$ 2,400,000	\$ 2,370,016	\$ (29,984)	\$ 2,243,131	\$ 43,131	\$ 43,131
Charges for services	66,600	67,094	494	66,614	614	614
Interest	-	108,332	108,332	89,698	89,698	89,698
Miscellaneous	-	549	549	-	-	-
<b>Total Revenues</b>	<b>2,466,600</b>	<b>2,545,991</b>	<b>79,391</b>	<b>2,399,443</b>		<b>133,443</b>
<b>Expenditures</b>						
Current						
General government						
Personal services	1,979,275	1,929,183	50,092	1,872,155	131,420	131,420
Other services and charges	129,000	140,621	(11,621)	138,602	(24,862)	(24,862)
Supplies	48,000	27,160	20,840	26,843	21,157	21,157
Capital outlay	55,000	57,030	(2,030)	103,267	36,733	36,733
<b>Total Expenditures</b>	<b>2,211,275</b>	<b>2,153,994</b>	<b>57,281</b>	<b>2,140,867</b>		<b>164,448</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>255,325</b>	<b>391,997</b>	<b>136,672</b>	<b>258,576</b>		<b>297,891</b>
<b>Fund Balances</b>						
Beginning	1,327,942	2,017,359	689,417	1,758,783		391,526
Ending	\$ 1,583,267	\$ 2,409,356	\$ 826,089	\$ 2,017,359		\$ 689,417

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

Honorable Frank Granger, III, Assessor  
East Baton Rouge Parish Assessor's Office  
Baton Rouge, Louisiana

We have audited the general purpose financial statements of the East Baton Rouge Parish Assessor's Office as of and for the year ended December 31, 1999, and have issued our report thereon dated April 19, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

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

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the East Baton Rouge Parish Assessor's Office's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general

purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Assessor, management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

*Provost, Salter, Harper & Alford, L.L.C.*

April 19, 2000