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

**FINANCIAL REPORT**

**December 31, 1997**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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: JUN 17 1998



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

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Chartered  
Public  
Accountants  
  
Louisiana  
Accountants

## 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, 1997, and the individual fund financial statements of the East Baton Rouge Assessor's Office for the years ended December 31, 1997 and 1996, 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. These 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 as of December 31, 1997, in conformity with generally accepted accounting principles. Also, in our opinion, the individual fund financial statements referred to above present fairly, in all material respects, the results of operations of each 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 24, 1998 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 24, 1998

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

*General Purpose Financial Statements*

*December 31, 1997*

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

Condensed Balance Sheet - All Fund Types and Account Group December 31, 1997

ASSETS	Governmental Fund Type General	General Fund Asset Account Group	Total (Measurement Only)	
			1997	1996
Cash	\$ 183,534	-	\$ 183,534	\$ 823,708
Investments	1,689,000	-	1,689,000	880,000
Equipment, at cost	-	889,871	889,871	555,913
<b>Total Assets</b>	<b>\$ 1,763,534</b>	<b>\$ 889,871</b>	<b>\$ 2,353,485</b>	<b>\$ 2,181,633</b>

**LIABILITIES, EQUITY AND OTHER CREDITS**

<b>Liabilities</b>				
Accounts payable	\$ 4,753	-	\$ 4,753	\$ 1,864
<b>Equity and Other Credits</b>				
Investment in general fund assets	-	889,871	889,871	593,373
Fund balance	1,758,783	-	1,758,783	1,623,816
Unencumbered, unobligated				
Fund equity used to bear credits	1,758,783	889,871	2,348,654	2,179,589
<b>Total Liabilities, Equity and Other Credits</b>	<b>\$ 1,763,534</b>	<b>\$ 889,871</b>	<b>\$ 2,353,485</b>	<b>\$ 2,181,633</b>

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

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*Notes to Financial Statements*

*December 31, 1997*

### **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 peculiarly 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 59 employees, including 58 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, 1997, there are 193,203 real property assessments totaling \$1,984,916,760. This represents an increase of 10,231 assessments totaling \$120,624,800 over the prior year, caused primarily by the increasing number of new businesses and new construction in the parish during the 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, 1997*

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 was determined not to be 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**

*Notes to Financial Statements, Continued*

*December 31, 1997*

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 47:1908, 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. Budget**

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**

*Notes to Financial Statements, Continued*

*December 31, 1997*

### **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 prepared 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, 1997

### 2. Levied Taxes

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

	Authorized Millage	Levied Millage
Assessor's Salary and Expense Fund	1.60	1.50

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

Employer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Exxon	Oil and chemical refining	157,832,090	.079
South Central Bell	Telephone company	58,208,190	.028
Gulf States Utilities	Utility	51,508,600	.026
Georgia Pacific Corporation	Pulp processing	28,748,740	.014
BankOne	Commercial bank	28,902,800	.013
Baton Rouge Water Works	Utility	17,114,270	.008

## EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 1997

### 3. Cash Deposits and Investments

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

	December 31, 1997	
	Carrying Amount	Bank Balance
Cash, including certificates of deposit with a maturity date within three months		
Insured (FDIC)	\$ 585,534	\$ 585,721
Uninsured		
Collateral held by the pledging bank, but not in the Assessor's name (category 3)	<u>208,080</u>	<u>208,080</u>
	<u>793,614</u>	<u>793,801</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)	608,808	608,808
Uninsured		
Collateral held by the pledging bank, but not in the Assessor's name (category 3)	<u>498,808</u>	<u>498,808</u>
	<u>1,107,616</u>	<u>1,107,616</u>
	<u>\$ 1,781,230</u>	<u>\$ 1,781,417</u>

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

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 18:1229 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.

## EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 1997

### 4. Changes in General Fixed Assets

A summary of changes in equipment follows:

	Balance January 1, 1997	Additions	Deletions	Balance December 31, 1997
Equipment	\$ 350,833	\$ 33,817	\$ -	\$ 384,650

### 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 60 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 employer'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 1788, Shreveport, Louisiana 71186-1788, or by calling (518) 426-4444.

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 5.0 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, 1997*

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 11:903, 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, 1997, 1996, and 1995 were \$60,241, \$66,990, and \$79,392 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 1997, those costs totaled \$48,525.

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

*Individual Fund Statements*

*December 31, 1997*

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

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*General Fund*

*December 31, 1997*

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

From Ended December 31, 1997 and 1998

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

Exhibit B

	1997		1998		Variances - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
<b>Revenues</b>					
Ad valorem taxes	\$ 1,075,000	\$ 1,056,078	\$ 1,093,000	\$ 1,079,037	\$ 21,037
Charges for services	66,000	63,147	64,000	63,899	1,010
Interest	-	86,185	-	73,211	27,211
<b>Total Revenues</b>	<b>1,141,000</b>	<b>1,205,410</b>	<b>1,157,000</b>	<b>1,216,147</b>	<b>181,358</b>
<b>Expenditures</b>					
Current					
General government	1,007,818	1,050,000	1,084,018	1,076,794	57,004
Personal services	30,200	27,645	31,248	197,399	(171,315)
Other services and charges	100,000	66,133	33,500	21,034	81,066
Supplies	-	33,907	-	17,248	(17,248)
Capital outlay	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,138,018</b>	<b>1,217,685</b>	<b>1,158,766</b>	<b>1,602,571</b>	<b>41,043</b>
<b>Excess (Deficiency) of Revenues Over Outlays (Expenditures)</b>	<b>30,982</b>	<b>97,725</b>	<b>98,234</b>	<b>605,576</b>	<b>571,315</b>
<b>Fund Balances</b>					
Beginning	1,328,794	1,612,006	1,507,254	1,719,049	189,095
Ending	1,359,776	\$ 1,709,731	\$ 1,605,788	\$ 1,674,625	\$ 387,144





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. However, this report is a matter of public record and its distribution is not limited.

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

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

April 24, 1998