

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

FINANCIAL REPORT

December 31, 2003

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: 7-28-04



EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

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INDEPENDENT AUDITOR'S REPORT ON THE BASIC FINANCIAL STATEMENTS

Honorable Brian Wilson, Assessor
East Baton Rouge Parish Assessor's Office

We have audited the accompanying basic financial statements of the East Baton Rouge Parish Assessor's Office as of December 31, 2003, and for the year then ended as listed in the table of contents. These basic 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 basic financial statements based on our audit.

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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic 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, 2003, and the results of operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the East Baton Rouge Parish Assessor's Office has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of December 31, 2003.

In accordance with Government Auditing Standards, we have also issued our report dated April 22, 2004 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 certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 4 through 11 and 33 through 34, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information listed as "Other Required Supplementary Information" is not a required part of the basic financial statements but has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

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

April 22, 2004

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Management's Discussion and Analysis

December 31, 2007

EAST BATON ROUGE PARISH ASSESSOR
Baton Rouge, Louisiana

Management's Discussion and Analysis (Unaudited)

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Parish Assessor's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Parish Assessor also includes in this report additional information to supplement the basic financial statements, such as required supplementary information and supplementary information. Comparative data is presented when available. All applicable tables will present comparative data in calendar year 2006.

Government-wide Financial Statements

The Parish Assessor's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Parish Assessor's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide statement of position presenting information that includes all of the Parish Assessor's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Parish Assessor as a whole is improving or deteriorating. Evaluation of the overall health of the Parish Assessor would extend to other non-financial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Parish Assessor's net assets changed during the current calendar year. All current year revenues and expenses are included regardless of when the Parish Assessor receives or pays cash. An important purpose of the design of the statement of activities is to show the financial reliance of the Parish Assessor's distinct activities or functions on revenues provided by the Parish Assessor's taxpayers.

The government-wide financial statements are presented on pages 13 to 15 of this report.

EAST BATON ROUGE PARISH ASSESSOR
Baton Rouge, Louisiana

Management's Discussion and Analysis (Unaudited), Continued

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Parish Assessor uses a single fund to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Parish Assessor's only fund, the general fund.

The Parish Assessor uses only one fund type:

The Governmental fund is reported in the fund financial statements and encompasses the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Parish Assessor's governmental fund. These statements report short-term calendar accountability focusing on the use of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 16 to 20 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 21 of this report.

FINANCIAL ANALYSIS OF THE PARISH ASSESSOR AS A WHOLE

The Parish Assessor implemented the new financial reporting model used in this report beginning with the current calendar year ended December 31, 2005. Over time, as we accumulate year-to-year financial information on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Parish Assessor as a whole.

EAST BATON ROUGE PARISH ASSESSOR

Baton Rouge, Louisiana

Management's Discussion and Analysis (Unaudited), Continued

The Parish Assessor's net assets at fiscal year-end are \$4,180,354. The following table provides a summary of the Parish Assessor's net assets:

Summary of Net Assets

	<u>Governmental Activities</u>	<u>Percentage of Total</u>
Assets		
Current assets	\$ 4,852,250	98%
Capital assets, net of accumulated depreciation	<u>71,798</u>	<u>2%</u>
Total assets	<u>4,924,048</u>	<u>100%</u>
Liabilities:		
Current liabilities	<u>73,694</u>	<u>1.5%</u>
Net assets:		
Investment in capital assets	71,798	2%
Unrestricted	<u>4,824,556</u>	<u>98%</u>
Total net assets	<u>\$ 4,900,354</u>	<u>100%</u>

The Parish Assessor continues to maintain an extremely high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 71 to 1. This ratio is extremely strong.

The Parish Assessor reported a positive balance in net assets for its governmental activities. Net assets increased modestly from 2002 by \$218,892 or 4%. Note that approximately 2% of the governmental activities' net assets are tied up in capital assets. The Parish Assessor uses these capital assets to provide services to its citizens.

Since this is the first year in which government-wide information is available, comparative data is presented when available. However, the Parish Assessor will accumulate comparative data and will present this data to assist analysis in future years. Remember, the following data is presented on the accrual basis of accounting which means that all costs are presented, however, the purchase of capital assets is not included but depreciation on the capital assets is included.

EAST BATON ROUGE PARISH ASSESSOR
Baton Rouge, Louisiana

Management's Discussion and Analysis (Unaudited), Continued

The following table provides a summary of the Parish Assessor's changes in net assets:

Summary of Changes in Net Assets

	<u>Governmental Activities</u>	<u>Percentage of Total</u>
Revenues:		
Taxes	\$ 2,823,785	93%
Charges for services	86,258	3%
Interest	32,766	1%
Other	<u>681</u>	<u>0%</u>
Total revenues	<u>2,943,490</u>	<u>100%</u>
Expenditures:		
Personnel services	2,425,196	82%
Other services and charges	237,208	8%
Supplies	90,974	3%
Capital outlays	<u>30,966</u>	<u>1%</u>
Total expenses	<u>2,784,344</u>	<u>100%</u>
Change in net assets	159,146	
Beginning net assets	<u>1,821,462</u>	
Ending net assets	<u>\$ 4,180,154</u>	

**EAST BATON ROUGE PARISH ASSESSOR,
Baton Rouge, Louisiana**

Management's Discussion and Analysis (Unaudited), Continued

GOVERNMENTAL REVENUE

The Parish Assessor is heavily reliant on property taxes to support its operations. Property taxes provided 99% of the Parish Assessor's total revenues. Because of the Parish Assessor's healthy financial position, we have been able to earn \$12,766 in interest earnings to support our activities, in spite of the low interest rates available for investment. Also, note that charges for services cover only 3% of governmental operating expenses. This means that the Parish Assessor's taxpayers and the Parish Assessor's other general revenues fund 98% of the Parish Assessor's activities. As a result, the general economy and local businesses have a major impact on the Parish Assessor's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

Since assessor operations are staff oriented, over three-quarters of the budget is used for employee salaries and benefits. Operating services and materials and supplies make up 6% and 2% of the total expenses respectively.

FINANCIAL ANALYSIS OF THE PARISH ASSESSOR'S GENERAL FUND

The General Fund is the Parish Assessor's operating fund and the source of day-to-day service delivery. As discussed, the General Fund is reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Remember the data presented in the fund financial statements is presented on the modified accrual basis. This means that capital assets purchased during the year are reported as expenditures and as depreciation on these capital assets is reported as an expenditure in the same year.

The total ending general fund's fund balance is \$4,034,736, an increase of \$225,194 or 6% over the prior year. This increase is primarily the result of the events and programs described within the analysis of the Parish Assessor's activities described above. Other key factors contributing to this change were revenue modestly in excess of projections and continued efforts to control operating costs. The total amount is unreserved indicating availability for continuing parish Assessor service requirements.

EAST BATON ROUGE PARISH ASSESSOR

Baton Rouge, Louisiana

Management's Discussion and Analysis (Unaudited), Continued

FINANCIAL ANALYSIS OF THE PARISH ASSESSOR'S GENERAL FUND, CONTINUED

Ad valorem taxes were \$2,823,785 or 4% more than 2002 primarily because of new property added to the Parish taxable property.

Salaries and benefits were above 2002, an increase of 14%. The cost of group insurance increased 7% but Parish Assessor's pension contribution increased 27% as the Assessors' Retirement Fund started in late 2002 to increase the employer share of contributions. Operating services expenditures increased approximately \$64,257 due to an increase in employees, computer maintenance and professional fees. Finally, capital outlay decreased 18% as the Parish Assessor had upgraded computer equipment and purchased vehicles in the previous year.

The General Fund's ending fund balance is considered very adequate, representing the equivalent of 147% of annual expenditures. Though some might consider this percentage high, it is necessary for the Parish Assessor to maintain a strong financial position in order to cover its cash flow needs and any unforeseen costs that might occur in the future. Note that the Parish Assessor is financing its operations on a "pay-as-you-go" system, which means currently there is no outstanding long-term debt (e.g. bonded debt) for capital purposes. In other words, all capital items are free and clear of debt.

BUDGETARY HIGHLIGHTS

The General Fund – both the General Fund's original budget and 2003 actual expenditures were more than the actual amounts reported in calendar year 2002. As indicated above, the majority of this increase relates to the addition of new employees.

At year-end, the Parish Assessor realized just over 100% of the final revenue budget.

EAST BATON ROUGE PARISH ASSESSOR
Baton Rouge, Louisiana

Management's Discussion and Analysis (Unaudited), Continued

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Parish Assessor's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2003 was \$75,798. The total decrease in this net investment was 14%. In 2003, depreciation expense exceeded capital asset replacement by \$21,150. This difference could be reviewed negatively; however, this type of information needs to be reviewed as a trend over multiple years to be more meaningful. As noted above, the Parish Assessor did provide additional and replacement equipment in 2003 which added to this year's increase in book value. See Note 3 for additional information about changes in capital assets during the calendar year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets

	Governmental Activities	
	2003	2002
Depreciable assets:		
Vehicles, furniture and equipment	\$ 137,176	\$ 141,290
Less accumulated depreciation	<u>61,478</u>	<u>243,712</u>
Book value-depreciable assets	<u>\$ 75,798</u>	<u>\$ 69,548</u>

At December 31, 2003 the depreciable capital assets for governmental activities were 79% depreciated. This results in a 14% reduction in the book value of the capital assets. As indicated above, these percentages indicate that in the current year, the Assessor did not replace its assets at the same rate as they were depreciating. The total percentage of depreciated capital assets is quite high, i.e., approximately four-fifths of the value of these assets is used which means that additional resources will be required to replace these capital assets in the future.

Long-Term Debt

At year-end, the Parish Assessor had no long-term debt outstanding. The Parish Assessor may issue general obligation debt to meet its capital needs but has elected to fund these needs on a "pay-as-you-go" basis. Financing capital on a current basis eliminates the deferral of capital costs to future periods.

EAST BATON ROUGE PARISH ASSESSOR

Baton Rouge, Louisiana

Management's Discussion and Analysis (Unaudited), Continued

CONTACTING THE PARISH ASSESSOR'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Parish Assessor's finances, comply with finance-related laws and regulations, and demonstrate the Parish Assessor's commitment to public accountability. If you have any questions about the contents of this report or would like to request additional information, please contact East Baton Rouge Parish Assessor, 222 St. Louis Street, Room 120, Baton Rouge, LA 70802.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Basic Financial Statements

December 31, 2003

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Government-Wide Financial Statements

December 31, 2003

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE*Statement of Net Assets**December 31, 2003***ASSETS**

Cash and cash equivalents	\$ 3,598,906
Investments	908,808
Accounts interest receivable	1,344
Capital assets, net of accumulated depreciation	<u>75,798</u>
Total Assets	<u>4,584,856</u>

Liabilities

Accounts payable	27,514
Compensated Absences	<u>58,188</u>
Total liabilities	<u>85,702</u>

NET ASSETS

Investment in capital assets	75,798
Net assets unrestricted, undesignated	<u>4,814,856</u>
Total net assets	<u>\$ 4,890,654</u>

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Statement of Activities

Year Ended December 31, 2003

	Expenses	Program Revenues Change for Services	Net (Expense) Revenue and Change in Net Assets Governmental Activities
Governmental Activities			
Council Government	\$ 1,744,000	\$ 96,000	\$ (1,648,000)
General revenues			
Taxes			
Property taxes, levied for general purposes			1,651,000
Interest and investment earnings			51,500
Miscellaneous			45
Total general revenues			1,702,500
Change in net assets			228,000
Net Assets - January 1, 2003			1,474,500
Net Assets - December 31, 2003			\$ 1,702,500

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Fund Financial Statements

December 31, 2003

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Balance Sheet-Governmental Fund

December 31, 2003

ASSETS

Assets

Cash and cash equivalents	\$ 3,180,996
Investments	880,080
Accrued interest receivable	<u>1,240</u>
Total Assets	\$ 4,062,316

LIABILITIES, NET ASSETS AND OTHER CREDITS

Liabilities

Accounts payable	\$ 27,903
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Net Assets

Net assets	
Unreserved, undesignated	<u>4,034,413</u>
Total Liabilities, Net Assets	\$ 4,062,316

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE*Reconciliation of the Governmental Fund Balance**Year Ended December 31, 2003**Sheet in the Statement of Net Assets*

Total net assets for the governmental fund at December 31, 2003	\$ 4,054,706
Total net assets reported for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Vehicles, furniture and equipment, net of \$ 281,478 accumulated depreciation	75,798
Liability for compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds	<u>(28,180)</u>
Total net assets of governmental activities at December 31, 2003	<u>\$ 4,102,324</u>

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

*General Fund**Year Ended December 31, 2003**Statement of Revenue, Expenditures and Changes**in Fund Balance - General Fund*

Revenue	
Ad valorem taxes	\$ 2,833,785
Charges for services	86,154
Interest	82,766
Miscellaneous	641
	<hr/>
Total Revenue	2,973,446
Expenditures	
Current	
General government	
Personal services	2,481,094
Other services and charges	237,318
Supplies	50,954
Capital outlay	88,960
	<hr/>
Total Expenditures	2,738,126
Excess of Revenue Over Expenditures	235,320
Fund Balance	
Beginning	<hr/>
	3,981,543
	<hr/>
Ending	\$ 4,216,863
	<hr/>

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities *Year Ended December 31, 2003*

Total net changes in fund balance at December 31, 2003 per Statement of Revenue, Expenditures and Changes in Fund Balance	\$ 253,194
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The change in net assets reported for the governmental activities in the statement of activities is different because:

Add: Capital outlay costs which are considered as expenditures on Statement of Revenue, Expenditures and Changes in Fund Balance assets consist of:	15,997
Less: Depreciation expense for the year ended December 31, 2003	(58,746)
Less: Change in compensated absences	(553)

Total net changes in fund balance of governmental activities at December 31, 2003	<u>\$ 218,893</u>
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EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements

December 31, 2003

I. 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 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 East Baton Rouge Parish Courthouse in Baton Rouge, Louisiana. The Assessor's Office employs 52 employees. 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, 2003, there are 156,413 real property assessments totaling \$2,668,271,968. This represents an increase of 1,159 assessments and an increase of \$135,688,986 in assessed value over the prior year.

A. Basis of Presentation

The accompanying basic financial statements of the East Baton Rouge Parish Assessor have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999.

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.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2023

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 (other than the use of facilities), or have any control over the Assessor, the Assessor has determined that the office is not a component unit of the 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 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.

Governmental funds account for all or most of the Assessor's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2005

In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations of the Assessor. The following are the Assessor's governmental funds:

General Fund. The General Fund, (known as the Assessor's Salary and Expense Fund) is 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 Statute 47:1987-1995, is accounted for in this fund. General operating expenditures are paid from this fund.

D. Measurement Focus/Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets (page 14) and Statement of Activities (page 15) display information about the Assessor's office as a whole. These statements include all the financial activities of the Assessor's office. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting.

Program Accounting. Program revenues included in the Statement of Activities (page 15) are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the Assessor's office general revenues.

Fund Financial Statements (FFS)

The amounts reflected in the Governmental Fund Statements (pages 17 and 18) are 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 statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Assessor's office operations.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2003

The amounts reflected in the Governmental Fund Statements (pages 17 and 18) use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues. The 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 the cash basis, therefore, adjustments were made on Exhibit G to include prior year amounts and remove current year amounts from the actual amounts for comparison purposes to the budgeted amounts. 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.

F. Cash and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. 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.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2003

Investments are limited by Louisiana Revised Statute (R.S.) 33:2815 and include certificates of deposit and Louisiana Asset Management Pool which is authorized under Louisiana Revised Statute 33:1521. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are reported at market value. Interest is accrued as earned.

G. Capital Assets

Capital assets are capitalized at historical cost. The Assessor maintains a threshold level of \$5,000 or more for capitalizing capital assets. Capital assets are recorded in the Statement of Net Assets and Statement of Activities. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Life
Vehicles	5
Furniture and equipment	3

H. Compensated Absences

Employees of the Assessor's Office earn from five to twenty days of paid vacation leave per year, depending on length of service, and twelve days of paid sick leave. They are allowed to accrue up to twelve vacation days. These days are recorded in the fund financial statements. In accordance with GASB Statement No. 36, vested or accumulated vacation leave is accrued and recorded as earned. In accordance with the provision of Statement of Financial Accounting Standards No. 43, *Accounting For Compensated Absences*, no liability is recorded for converting accumulating rights to receive vacation or sick pay benefits.

At December 31, 2003, employees of the Assessor's Office have accumulated and vested \$30,180 of accrued vacation benefits, which was computed in accordance with GASB Codification Section 206. The amount is recorded within the fund financial statements.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2003

I. Risk Management

The Assessor's Office is exposed to various risks of loss related to theft, 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.

J. Deferred Compensation Plan

The Assessor's Office offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all full and part-time employees of the Assessor's Office, permits them to defer a portion of their salary until future years.

All amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) in the Louisiana Public Employees Deferred Plan and are held in trust for the exclusive benefit of the participants and their beneficiaries.

Participants may contribute a portion of their salary with the Assessor's Office matching up to 4% per month, but total contributions may not exceed the amount determined under ERS regulations. All contributions are immediately vested. The Assessor's Office contributed \$244,151 to the plan during the year ended December 31, 2003.

L. Levied Taxes

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

	Authorized Millage	Levied Millage
<i>Assessor's Salary and Dependent Fund</i>	1.00	1.00

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

*Notes to Financial Statements, Continued**December 31, 2003*

The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Exxon-Mobil	Oil and chemical refining	\$ 194,163,840	7.30%
Batagery-Gulf States, Inc.	Utility	62,532,840	2.38%
BellSouth Communications	Telephone company	16,188,300	1.81%
Bank One	Commercial banking	46,471,700	1.83%
Georgia Pacific Corporation	Pulp processing	28,887,200	1.15%
Hibernia National Bank	Commercial banking	48,848,150	1.87%

3. Cash and Cash Equivalents

At December 31, 2003, the Assessor has cash and cash equivalents (book balances) consist of the following:

Demand deposits	\$ 1,263,033
Time deposits	1,598,808
Repurchase agreements	515,892
Louisiana Asset Management Pool (LAMP)	<u>693,782</u>
	\$ 4,071,515

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 pledge securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2003, the Assessor has \$1,436,838 in deposits (pledged bank balances). These deposits are secured from risk by \$698,008 of federal deposit insurance and \$738,838 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, S.S. 39-1219 imposes a statutory requirement on the custodial

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2003

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.

In accordance with GASB Codification Section 130.126, the investment in LAMP at December 31, 2003 (\$91,781) is not categorized in the three risk categories provided by GASB Codification Section 130.123 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities have contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 91:2915. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchased agreements collateralized by state securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 313, Act 781) enacted LSA-R.S. 33:2915(A)(1)(b) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 367 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Note to Financial Statements, Continued

December 31, 2003

4. Investments

The Assessor's investments are categorized into three categories of credit risk:

- Category 1. Insured or collateralized with securities held by the entity or by its agent in the entity's name.
Category 2. Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
Category 3. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the entity's name.

At fiscal year-end the assessor's investment balances were as follows:

	Book Balance	Categories		
		1	2	3
Certificates of Deposit	\$ 1,099,000	\$ 699,000	\$ -	\$ 1,100,000

5. Changes in Capital Assets

A summary of changes in equipment follows.

	Balance January 1, 2003	Additions	Deletions	Balance December 31, 2003
Vehicles	\$ 195,706	\$ -	\$ -	\$ 195,706
Furniture and Equipment	208,873	18,997	-	227,870
	<u>404,579</u>	<u>18,997</u>	<u>-</u>	<u>423,576</u>
Less accumulated depreciation	340,731	35,746	-	376,477
	<u>\$ 63,848</u>	<u>\$ 13,251</u>	<u>-</u>	<u>\$ 77,100</u>

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2003

6. Retirement Commitments

Louisiana Assessors' Retirement Plan

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 50 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 74% 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 14605, Baton Rouge, Louisiana 70803-1605, or by calling (225) 933-8986.

Description of Funding Policy. Plan members are required by state statute to contribute 8.0 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 14.0 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one 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, 2003, 2002 and 2001 were \$244,131, \$173,144 and \$115,400 respectively, equal to the required contributions for each year.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2003

1. 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 these 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 2003, these costs totaled \$109,433. The number of retiree's currently receiving benefits is 20.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Other Required Supplementary Information

December 31, 2003

EAST AFRICA REGIONAL FINANCE ASSISTANCE OFFICE

General View

First Budget Period: 1987

Division of Economic Operations and Support
in East African Region and Areas

	Actual in 1987 (\$M)	Difference in Budget (\$M)	Budget Data	Budget		Variance Expend (\$Millions)
				Original	Final	
Income						
- Interest	\$ 1,071,181	-	\$ 1,071,181	\$ 1,071,181	\$ 1,071,181	\$ 10,712
- Grants/Revenues	81,881	-	81,881	81,881	81,881	12,124
- Loans	81,744	(2,446) (1)	79,298	-	-	76,852
- Miscellaneous	98	-	98	-	-	98
Total Income	1,235,004	2,496	1,231,508	1,153,062	1,153,062	12,996
Expenditures						
- Loans						
- Fixed investments	1,481,047	(288) (1)	1,480,759	1,480,759	1,480,759	12,851
- Development	271,128	-	271,128	271,128	271,128	12,761
- Other income savings	8,000	(4,000) (1)	4,000	8,000	16,000	(7,000)
- Supplies	15,719	(4,719) (1)	11,000	-	-	-
- Operations	15,719	(4,719) (1)	11,000	-	-	-
- Capitalize	-	18,000 (1)	18,000	-	-	(18,000)
Total Expenditures	1,781,603	(24,006) (1)	1,757,597	1,757,597	1,757,597	12,761
Excess of Income over (under) Expenditures	453,399	25,002	478,511	(204,535)	(204,535)	12,235
Contributions						
- Revenues	1,071,181	2,496	1,073,677	1,073,677	1,073,677	-
Total	\$ 1,524,585	\$ 26,498	\$ 1,551,083	\$ 1,249,142	\$ 1,249,142	\$ 25,002

Explanatory Differences

(1) Actual versus projections of 1988

(2) Capital costs are assigned to foreign projects which provided more grants/repayments/interest, with capital costs and operations assigned primarily to the main account as reported above

(3) Contingent income are included in a separate account. Under grants/repayments/interest, these costs are assigned when the benefit is direct

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Compliance and Internal Control

December 31, 2003



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 ACCOUNTING STANDARDS

Honorable Brian Wilson, Assessor
East Baton Rouge Parish Assessor's Office

We have audited the basic financial statements of the East Baton Rouge Parish Assessor's Office as of and for the year ended December 31, 2003, and have issued our report thereon dated April 23, 2004. 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 *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 basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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 basic 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. 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 22, 2014