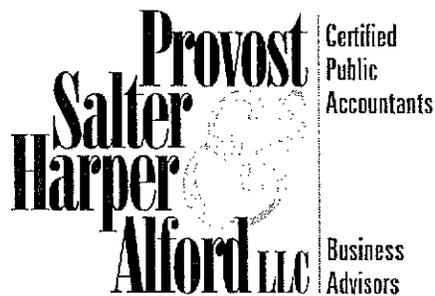


**EAST BATON ROUGE PARISH
ASSESSOR'S OFFICE
BATON ROUGE, LOUISIANA**

FINANCIAL REPORT

December 31, 2020



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EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and general fund of the East Baton Rouge Parish Assessor's Office, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the East Baton Rouge Parish Assessor's Office's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

East Baton Rouge Parish Assessor's Office's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the East Baton Rouge Parish Assessor's Office, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, the schedule of changes in net OPEB liability and related ratios, the schedule of employer's proportionate share of the net pension liability, and the schedule of employer's pension contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Baton Rouge Parish Assessor's Office's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head is presented to comply with the requirements issued by the State of Louisiana, and is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to agency head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2021 on our consideration of the East Baton Rouge Parish Assessor's Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the East Baton Rouge Parish Assessor's Office's internal control over financial reporting and compliance.

PROVOST, SALTER, HARPER & ALFORD, LLC



June 24, 2021
Baton Rouge, Louisiana

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Baton Rouge, Louisiana

Management's Discussion and Analysis

The Management's Discussion and Analysis of the East Baton Rouge Parish Assessor's Office's (Assessor) financial performance presents a narrative overview and analysis of the Assessor's financial activities for the fiscal year ended December 31, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with prior year's information. Please read it in conjunction with the basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Assessor's net position decreased due to current period operations by \$1,785,191, or 64.5%.

The Assessor's revenues increased by \$144,409, or 2.2%.

The Assessor's expenditures increased by \$1,045,777, or 13.7%.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This financial report consists of four parts: Management's Discussion and Analysis, Basic Financial Statements, Required Supplementary Information, as may be applicable, and the Assessor includes the schedule of Compensation, Benefits, and Other Payments to Agency Head as Other Supplementary Information. Other than the MD&A, the Board's required supplementary information includes the General Fund Statement of Revenues and Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual, the Schedule of Changes in Net OPEB Liability and Related Ratios, Employer's Proportionate Share of the Net Pension Liability, and Employer's Pension Contributions. Comparative data is presented when available.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Assessor's finances, in a manner similar to private-sector business.

The Statement of Net Position presents information on all of the Assessor's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Assessor as a whole is improving or deteriorating.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Baton Rouge, Louisiana

Management's Discussion and Analysis, Continued

The Statement of Activities presents information showing how the Assessor's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods (e.g. uncollected taxes and earned, but unused, vacation leave).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The 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 Assessor's only fund, the general fund.

The Assessor uses only one fund type:

The Governmental fund is used to account for essentially the same function reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the Assessor's near-term financing requirements.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to assist in understanding the differences between these two perspectives.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Assessor.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Baton Rouge, Louisiana

Management's Discussion and Analysis, Continued

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Approximately 3% of the Assessor's net position reflects its investment in capital assets (e.g. equipment). These assets are not available for future spending.

The balance in unrestricted net assets is affected by the purchase of capital assets from internally generated funds and required depreciation on assets.

Summary of Net Position

	2020	2019	Increase (Decrease)
Assets:			
Current assets	\$ 17,407,801	\$ 16,098,758	\$ 1,309,043
Capital assets, net of accumulated depreciation	123,479	74,146	49,333
Total Assets	17,531,280	16,172,904	1,358,376
Deferred outflows	8,849,641	7,281,375	1,568,266
Liabilities:			
Current liabilities	20,609	7,325	13,284
Noncurrent liabilities	29,651,026	25,347,809	4,303,217
Total Liabilities	29,671,635	25,355,134	4,316,501
Deferred inflows	1,263,969	868,637	395,332
Net Position:			
Investment in capital assets	123,479	74,146	49,333
Unrestricted	(4,678,162)	(2,843,638)	(1,834,524)
Total Net Position	\$ (4,554,683)	\$ (2,769,492)	\$ (1,785,191)

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Baton Rouge, Louisiana

Management's Discussion and Analysis, Continued

The following data is presented on the accrual basis of accounting. Note, however, that although the purchase of capital assets is not included, depreciation on capital assets is included. The Assessor's net position decreased during the current fiscal year. The change is shown below.

Summary of Changes

	2020	2019	% Increase (Decrease)
Revenues:			
General Revenue:			
Taxes	\$ 5,951,924	\$ 5,801,384	2.6%
Interest	19,368	66,923	-71.1%
Other	4,800	3,600	33.3%
Contributions from non-employer contributing entity	752,052	713,759	5.4%
	<u>6,728,144</u>	<u>6,585,666</u>	2.2%
Program Revenue:			
Charges for services	144,923	142,992	1.4%
	<u>144,923</u>	<u>142,992</u>	1.4%
 Total revenue	 <u>6,873,067</u>	 <u>6,728,658</u>	 2.1%
 Expenditures:			
Personnel services	7,839,904	6,901,957	13.6%
Other services and charges	805,084	693,776	16.0%
Supplies	16,510	19,988	-17.4%
	<u>8,661,498</u>	<u>7,615,721</u>	13.7%
 Non-Operating Revenues (Expenses)	 <u>3,240</u>	 <u>4,590</u>	
 Change in net position	 <u>(1,785,191)</u>	 <u>(882,473)</u>	
 Beginning net position	 <u>(2,769,492)</u>	 <u>(1,887,019)</u>	46.8%
 Ending net position	 <u>\$ (4,554,683)</u>	 <u>\$ (2,769,492)</u>	64.5%

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Baton Rouge, Louisiana

Management's Discussion and Analysis, Continued

GOVERNMENTAL REVENUE

The Assessor is heavily reliant on property taxes to support its operations. Property taxes provided 86.6% of the Assessor's total revenues. Because of the Assessor's financial position, they have been able to earn \$19,368 in interest earnings to support their activities, in spite of the low interest rates available on investments. Also, note that charges for services cover only 1.7% of governmental operating expenses. This means that the Assessor's taxpayers and the Assessor's current year other general revenues fund 77.7% of the Assessor's activities, with the remaining 20.6% coming from surplus. As a result, the general economy and local businesses have a major impact on the Assessor's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

Since the Assessor's operations are staff-oriented, 90.5% of total expenditures are used for employee salaries and benefits. Operating services and materials and supplies make up 9.3% and 0.2% of the total expenses, respectively.

FINANCIAL ANALYSIS OF THE ASSESSOR'S GENERAL FUND

The General Fund is the 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 no depreciation on these capital assets is reported as an expenditure in the same year.

The total ending general fund's fund balance is \$11,549,237, an increase of \$1,189,948 over the prior year. This increase is primarily the result of the increase in tax revenue and a decrease in personnel services and operating services and charges expenditures.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Baton Rouge, Louisiana

Management's Discussion and Analysis, Continued

FINANCIAL ANALYSIS OF THE ASSESSOR'S GENERAL FUND, CONTINUED

Ad valorem taxes increased 5.8% from 2019 by \$322,246. This increase is primarily a result of increased property values.

Salaries and benefits increased from 2019 by 6.5%. The increase is due to several deputy assessors hired in the 2020 year. Operating services expenditures increased from 2019 by 14.5%. The increase is primarily a result of more cost being incurred due to the 2020 year being a reassessment year and more mailings being incurred. In 2019, the Assessor purchased office equipment for a total of \$11,287 that was capitalized. In 2020, the Assessor purchased vehicles for a total of \$80,643 and office equipment for a total of \$11,287 that was capitalized.

The General Fund's ending fund balance is considered adequate, representing the equivalent of 239% of annual expenditures. Though some might consider this percentage high, it is necessary for the 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.

BUDGETARY HIGHLIGHTS

The General Fund – Total expenditures were 103.3% of the budgeted amount. The Assessor's final revenue was 103.2% of budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Assessor considered many factors when setting the 2021 budget. Revenues and expenditures are expected to remain fairly consistent with the 2020 fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

In 2020, capital asset replacement exceeded depreciation expense by \$49,333. See Note 4 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.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Baton Rouge, Louisiana

Management's Discussion and Analysis, Continued

	Capital Assets	
	2020	2019
Depreciable assets:		
Vehicles, furniture and equipment	\$ 734,209	\$ 688,085
Less accumulated depreciation	(610,730)	(613,939)
Book value-depreciable assets	<u>\$ 123,479</u>	<u>\$ 74,146</u>

Capital Assets

At December 31, 2020, the depreciable capital assets for governmental activities were 83% depreciated and there was a 67% increase in the book value of the capital assets. The total percentage of depreciated capital assets is quite high, (i.e., approximately eight-tenths of the value of these assets is used) which indicates that additional resources may be required to replace these capital assets in the future.

Long-term Obligations

At year-end, the Assessor had no external borrowings, and thus does not have any outstanding bonds or notes in this or the prior fiscal year. Other obligations include \$140,801 for its estimated liability for compensated absences, \$28,723,124 for its estimated liability for other post-employment benefits, and \$787,101 for its net pension liability.

During the year, the Assessor's debt increased by \$4,303,217 due to an increase in the liability for compensated absences of \$93,509, the recording of a \$4,782,256 increase in the liability for other post-employment benefits obligations, and a decrease of \$572,548 in pension liability.

Other Postemployment Benefits Liability

At December 31, 2019, the Assessor reported other postemployment benefits liability in the amount of \$23,940,868. At December 31, 2020, the Assessor reported other postemployment benefits liability in the amount of \$28,723,124. This was an increase of \$4,782,256 as compared to the prior year. See Note 7 to the basic financial statements for further discussion of other postemployment benefits.

Operating Lease

As of April 1, 2018, the lease for the satellite office on Coursey Blvd. was signed as a three year lease with monthly base rent of \$2,375. The lease was extended for an additional three years. Effective September 1, 2020, the Assessor has extended the lease for a satellite office in Zachary, Louisiana for an additional three-year term at the rate of \$2,046 per month.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Baton Rouge, Louisiana

Management's Discussion and Analysis, Continued

CONTACTING THE ASSESSOR'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Assessor's finances, comply with finance-related laws and regulations, and demonstrate the 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's Office, 222 St. Louis Street, Room 126, Baton Rouge, LA 70802.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Basic Financial Statements

December 31, 2020

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Government-Wide Financial Statements (GWFS)

December 31, 2020

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Statement of Net Position

December 31, 2020

Assets**Current Assets**

Cash and cash equivalents	\$ 9,085,874
Investments	2,474,025
Ad valorem taxes receivable (net of allowance for uncollectable accounts, \$25,214)	5,837,955
Accounts receivable	3,240
Prepaid and other	6,707
	<hr/>
Total current assets	17,407,801

Noncurrent Assets

Capital assets, net of accumulated depreciation	123,479
	<hr/>

Total Assets

17,531,280

Deferred Outflows of Resources

8,849,641

Liabilities**Current Liabilities**

Accounts payable	20,609
	<hr/>

Noncurrent Liabilities

Other post employment benefits	28,723,124
Net pension liability	787,101
Compensated absences	140,801
	<hr/>

Total noncurrent liabilities

29,651,026

Total Liabilities

29,671,635

Deferred Inflows of Resources

1,263,969

Net Position

Investment in capital assets	123,479
Unrestricted	(4,678,162)
	<hr/>

Total Net Position

\$ (4,554,683)

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Statement of Activities

Year Ended December 31, 2020

	Expenses	Program Revenues Charges for Services	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
Governmental Activities			
General Government	\$ 8,661,498	\$ 144,923	\$ (8,516,575)
General revenues			
Taxes:			
Ad valorem taxes, levied for general purposes			5,951,924
Interest and investment earnings			19,368
Miscellaneous			4,800
Contributions from non-employer contributing entity			<u>752,052</u>
Total general revenues			<u>6,728,144</u>
Other financing sources (uses)			
Gain (loss) on disposal of asset			<u>3,240</u>
Change in net position			(1,785,191)
Net Position - January 1, 2020			<u>(2,769,492)</u>
Net Position - December 31, 2020			<u>\$ (4,554,683)</u>

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Fund Financial Statements

December 31, 2020

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE*Balance Sheet-Governmental Fund**December 31, 2020***ASSETS****Assets**

Cash and cash equivalents	\$	9,085,874
Investments		2,474,025
Accounts receivable		3,240
Prepaid and other		6,707
		<hr/>
Total Assets	\$	11,569,846

LIABILITIES AND FUND BALANCE**Liabilities**

Accounts payable	\$	20,609
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Fund Balance

Unassigned		11,549,237
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Total Liabilities and Fund Balance	\$	11,569,846
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EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

**Reconciliation of the Governmental Fund Balance
Sheet to the Statement of Net Position**

December 31, 2020

Total fund balance for the governmental fund at December 31, 2020	\$ 11,549,237
Total net position reported for governmental activities in the statement of net assets is different because:	
Government-Wide Financial Statements reflect the economic resources measurement focus and the accrual basis of accounting, therefore, an accrual for ad valorem taxes is recorded	5,837,955
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet. Those assets consist of :	
Vehicles, furniture and equipment, net of \$610,730 accumulated depreciation	123,479
Liability for other post employment benefits are not due and payable in the current period and therefore are not reported in the governmental funds	(28,723,124)
Liability for net pension liabilities are not due and payable in the current period and therefore are not reported in the governmental funds	(787,101)
Liability for compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds	(140,801)
Deferred inflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds	(1,263,969)
Deferred outflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds	<u>8,849,641</u>
Total net position of governmental activities at December 31, 2020	<u>\$ (4,554,683)</u>

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

*Statement of Revenues, Expenditures and Changes
in Fund Balance - Governmental Fund*

Year Ended December 31, 2020

Revenues	
Ad valorem taxes	\$ 5,846,113
Charges for services	144,923
Interest and investment earnings	19,368
Miscellaneous	8,040
Total Revenues	6,018,444
 Expenditures	
Current	
General government	
Personnel services	3,957,568
Other services and charges	762,488
Supplies	16,510
Capital outlay	91,930
Total Expenditures	4,828,496
Excess of Revenues Over Expenditures	1,189,948
 Fund Balance	
Beginning	10,359,289
Ending	\$ 11,549,237

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

*Reconciliation of the Governmental Fund Statement
of Revenues, Expenditures and Changes in Fund
Balance to the Statement of Activities*

Year Ended December 31, 2020

Net change in fund balance - governmental fund \$ 1,189,948

Amounts reported for governmental activities in the statement of activities is different because:

Difference in ad valorem tax revenue recorded on the Fund Financial Statements and the Government-Wide Financial Statements. Property tax revenue will not be collected until after the Assessor's fiscal year end. These are not considered "available" revenues in the governmental funds until received. 105,811

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 91,930	
Depreciation expense	<u>(42,597)</u>	49,333

Other post employment benefits are reported in the statement of activities and do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Changes in other post employment benefits (3,502,490)

Certain pension-related inflows and outflows of resources are reported in the statement of activities and do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Changes in pension expenses		(286,336)
Contributions from non-employer contributing entities		752,052

Compensated absences are reported in the statement of activities and do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Changes in compensated absences (93,509)

Changes in net position of governmental activities \$ (1,785,191)

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements

December 31, 2020

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 main office is located in the East Baton Rouge Parish Courthouse in Baton Rouge, Louisiana. In 2005, the Assessor opened an additional branch office on Coursey Boulevard and in 2008 opened another branch office in Zachary, Louisiana for the convenience of the residents of the parish. The Assessor's office employs 55 employees, including 49 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 July 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, 2020, there are 225,344 real property and moveable property assessments totaling \$5,502,045,798. This represents an increase of 696 assessments and an increase of \$336,816,293 in assessed value over the prior year.

A. Basis of Presentation

The accompanying basic financial statements of the East Baton Rouge Parish Assessor's Office have been prepared in conformity with 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.

B. Reporting Entity

The assessor is an independently elected official and is not considered fiscally dependent on the East Baton Rouge Parish Council. 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

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

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.

Governmental Accounting Standards Board Codification Section 2100 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's 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 located at the East Baton Rouge Parish Court House), 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 maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain tax assessment functions and activities. A fund is a separate fiscal and 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

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

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. In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations of the Assessor. The governmental fund type used by the Assessor is described as follows:

General Fund. The primary operating fund of the Assessor and its accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Assessor's policy. 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. Measurement Focus/Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in the Governmental Fund Statements (Exhibit C and E) 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.

The amounts reflected in the Governmental Fund Statements (Exhibit C and E) 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 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

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

December 31, and are considered past due and subject to penalties if not paid by December 31, of the 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.

Government-Wide Financial Statements (GWFS)

The Statement of Net Position (Exhibit A) and Statement of Activities (Exhibit B) 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 reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues. Program revenues included in the Statement of Activities (Exhibit B) 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.

Reconciliation. A reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position is provided on Exhibit D. A reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities is provided on Exhibit F.

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 accruals and remove current year accruals 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.

F. Cash and Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

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.

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, 2020, the Assessor had collected bank balances of \$9,085,874. The deposits are secured from risk by the federal deposit insurance and pledged securities.

G. Receivables

In the government-wide statements, receivables consist of revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical collection trends. Major receivable balances for the governmental activities include ad valorem taxes and tax roll preparation fees.

In the fund financial statements, ad valorem tax revenue is not recorded because the revenue is not considered available until received.

II. Investments

Short-term investments are stated at amortized cost, which approximates market value.

I. Prepaids and Other

Prepaids and other are payments to vendors and other receivables that benefit future reporting periods reported on the consumption basis. At December 31, 2020, the Assessor had prepayments to vendors of \$3,253, accrued tax roll preparation fees receivable of \$3,424 and accrued interest receivable on certificates of deposit of \$30. Both prepaid and other receivables are similarly reported in government-wide and fund financial statements.

J. Capital Assets

Capital assets are capitalized at historical cost. The Assessor maintains a threshold level of \$1,000 or more for capitalizing capital assets. Capital assets are recorded in the Statement of

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

Net Position and Statement of Activities. All capital assets are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Vehicles	5
Furniture and equipment	7

K. 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 carryover up to twelve vacation days. An employee is compensated for any unused vacation leave at the employee's hourly rate of pay at the time of termination. The liability for these compensated absences is recorded as a liability in the government-wide financial statement. However, any matured compensated absences existing at year-end which are payable to currently terminated employees are reported in the governmental funds as wages and benefits payable. At December 31, 2020, employees of the Assessor's Office have accumulated and vested \$140,801 of accrued vacation benefits.

L. 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.

M. Deferred Compensation Plan

Certain employees of the Assessor's Office participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the plan are included in the separately issued audit report for the plan, available from the Louisiana Legislative Auditor, Post Office Box 94377, Baton Rouge, Louisiana 70804-9397.

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 IRS regulations. All contributions are immediately vested. Participants contributed \$95,551 and the Assessor's Office contributed \$76,374 to the plan during the year ended December 31, 2020.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

N. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana Assessors' Retirement System (LARS) and additions to/deductions from LARS fiduciary net position have been determined on the same basis as they are reported by LARS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Fund Equity

Equity Classifications.

Government-Wide Financial Statements.

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. There were no restricted net assets at December 31, 2020.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

Fund Financial Statements.

In the fund financial statements governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable – amount that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

Committed – amounts that can be used only for specific purposes determined by a formal decision of the Assessor. The Assessor, as the highest level of decision-making authority, can establish, modify or rescind a fund balance commitment. For assigned fund balance the Assessor authorizes management to assign amounts for a specific purpose.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned – all other spendable amounts.

It is the Assessor's policy to spend unrestricted fund balances first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. It is the Assessor's policy to spend committed or assigned fund balances first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The Assessor does not have any policy regarding minimum fund balance amounts.

P. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Q. Subsequent Events

In preparing these financial statements, the Assessor has evaluated events and transactions for potential recognition or disclosure through June 24, 2021, the date the financial statements were available to be issued.

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	1.22	1.22

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

The following are the principal taxpayers for the parish:

Taxpayer	Type of Business	2020 Assessed Valuation	Percentage of Total Assessed Valuation
Exxon Mobil Corporation	Oil and chemical refining	\$ 415,495,100	7.55%
Entergy Louisiana, LLC	Utility	110,777,680	2.01%
JP Morgan Chase Bank	Banking	50,927,040	0.93%
Georgia-Pacific	Pulp processing	50,872,320	0.92%
State Farm Mutual Auto	Insurance	26,079,380	0.47%

3. Deposits and Investments

Deposits. At December 31, 2020, the Assessor has deposits totaling \$9,085,874 (book balances) as follows:

Demand deposit	\$ 8,786,874
Certificates of deposit	299,000
	<u>\$ 9,085,874</u>

Investments. The Assessor is subject to the provisions of Louisiana Revised Statute 33:2955, which is entitled "Investments by political subdivisions." This law, among other things, outlines the types of securities that public entities in Louisiana may acquire and hold as investments. These include U.S. Government and agency securities, and certificates of deposit of banks domiciled or having a branch office in the state of Louisiana. The following table provides information on the credit ratings, maturity dates, and fair values associated with the Assessor's investments at December 31, 2020:

	Rating	Maturity Dates	
Louisiana Asset Management Pool	AAAm	N/A	\$ 2,474,025

Interest Rate Risk

Interest rate risk is the risk that changes in the financial market rates of interest will adversely affect the value of an investment. Of the Assessor's investments, \$2,474,025 have maturities of less than one year.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

Credit Quality Risk

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligation to the Assessor.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure, the Assessor will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the Assessor, and are held by either the counterparty to the investment purchase or the counterparty's trust department or agent but not held in the Assessor's name. The investments of the Assessor owned at December 31, 2020 were not subject to custodial credit risk.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may occur due to the amount of investments in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in mutual funds, or external investment pools).

The Louisiana Asset Management Pool (LAMP) is a local government investment pool. In accordance with GASB Codification Section 150.165, these investments are not categorized with deposits because they are not evidenced by securities that exist in physical or book entry form.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. 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. 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 repurchase agreements collateralized by those securities. 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 397 days. The dollar weighted average portfolio maturity for LAMP's total investments is 88 days (from LAMP's monthly portfolio holdings) as of December 31, 2020. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants'

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

shares, investments are valued at amortized cost. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

4. Changes in Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2020, is as follows:

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Vehicles	\$ 238,074	\$ 80,643	\$ (45,806)	\$ 272,911
Furniture and equipment	450,011	11,287	-	461,298
	688,085	91,930	(45,806)	734,209
Less accumulated depreciation	613,939	42,597	(45,806)	610,730
	\$ 74,146	\$ 49,333	\$ -	\$ 123,479

5. Retirement Commitments

Substantially all full-time employees of the East Baton Rouge Parish Assessor's Office are members of the Louisiana Assessors' Retirement Fund ("the Fund"), a cost sharing, multiple employer defined benefit pension plan administered by a separate Board of Trustees. Pertinent information relative to the plan follows:

Louisiana Assessors' Retirement Fund

Plan Description

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

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

Eligibility Requirements

All full-time employees who are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System.

Benefits Provided

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

A. Retirement

Members who were hired before October 1, 2013, will be eligible for pension benefits once they have either reached the age of fifty-five and have at least twelve years of service or have at least thirty years of service, regardless of age. Members who were hired on or after October 1, 2013, will be eligible for pension benefits once they have either reached the age of sixty and have at least twelve years of service or have reached the age of fifty-five and have at least thirty years of service.

B. Retirement Benefits

Members whose first employment making them eligible for membership began prior to October 1, 2006, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 36 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2006 but before October 1, 2013, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2013 but who have less than thirty years of service, are entitled to annual pension benefits equal to three percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2013 and have thirty or more years of service, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

If members terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to the employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. Employees may elect to receive the actuarial equivalent of their retirement allowance in reduced retirement payable throughout life with the following options:

1. If the member dies before he has received in retirement payments purchased by his contributions the amount he had contributed to the fund before his retirement, the balance shall be paid to his legal representatives or to such person as he shall nominate by written designation.
2. Upon the member's death, his reduced retirement allowance shall be continued throughout the life of and paid to his surviving spouse.
3. Upon member's death, one-half of his reduced retirement allowance shall be continued throughout the life of and paid to his surviving spouse.
4. The member may elect to receive some other board-approved benefit or benefits that together with the reduced retirement allowance shall be of equivalent actuarial value to his retirement allowance.

C. Survivor Benefits

The Fund provides benefits for surviving spouses and minor children under certain conditions which are outlined in the Louisiana Revised Statutes.

D. Disability Benefits

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

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

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

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

E. Back-Deferred Retirement Option Plan (Back-DROP)

In lieu of receiving a normal retirement benefit pursuant to R.S. 11:1421 through 1423, an eligible member of the Fund may elect to retire and have their benefits structured, calculated, and paid as provided in R.S. 11:1456.1.

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

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

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

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

1. Creditable service shall not include service credit reciprocally recognized pursuant to R.S. 11:142.
2. Accrued service at retirement shall be reduced by the Back-DROP.
3. Final average compensation shall be calculated by excluding all earnings during the Back-DROP period.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

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

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

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

F. Excess Benefit Plan

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

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Notes to Financial Statements, Continued

December 31, 2020

Contributions

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

Administrative costs of the Fund are financed through employer contributions. According to the state statute, contributions for all employers are actuarially determined each year. The actuarially-determined employer contribution rate was 3.01% for the year ended September 30, 2020. The actual employer contribution rate was 8.00% of members' earnings for the year ended December 31, 2020 and 2019.

The Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state as well as a state revenue sharing appropriation. According to the state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee. Proportionate share of these non-employer contributions totaled \$752,052 during the measurement period and is recognized in the government-wide financial Statements as revenue during the year ended December 31, 2020, and included in pension expense. Contributions to the pension plan from the Assessor were \$191,630 for the year ended December 31, 2020.

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

At December 31, 2020, the Employer reported a liability of \$787,101 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of September 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Assessor's proportion of the Net Pension Liability was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2020, the Assessor's proportion was 5.1520%, which was a decrease of 0.0024% from its proportion measured as of September 30, 2019.

For the year ended December 31, 2020, the Assessor recognized pension expense of \$493,289 which includes the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$15,323).

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

At December 31, 2020, the Assessor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,192	\$ 628,865
Changes of assumptions	1,747,423	-
Net difference between projected and actual earnings on pension plan investments	-	618,955
Changes in proportion and differences between Assessor contributions and proportionate share of contributions	-	16,149
Assessor contributions subsequent to the measurement date	48,495	-
Total	<u>\$ 1,821,110</u>	<u>\$ 1,263,969</u>

\$48,495 reported as deferred outflows of resources related to pensions resulting from Assessor contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Year ended September 30:	LA Assessor's Retirement Fund
2021	\$ 10,178
2022	184,392
2023	178,857
2024	(30,393)
2025	104,184

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of September 30, 2020 are as follows:

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

Actuarial Cost Method	Entry age normal.
Investment Rate of Return (discount rate)	5.75%, net of pension plan investment expense, including inflation.
Inflation Rate	2.10%.
Salary Increase	5.25%.
Annuitant and beneficiary mortality	Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale.
Active Members Mortality	Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale.
Disabled Lives Mortality	Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale.

Discount Rate

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, of 2.5%, and an adjustment for the effect of rebalancing/diversification. The resulting long-term expected arithmetic nominal return was 8.37% as of September 30, 2020.

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of September 30, 2020 are summarized in the following table:

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Domestic Bonds	2.50%
International Bonds	3.50%
Real Estate	4.50%
Alternative Assets	5.87%

The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2020 is 6 years.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 5.75% as well as what the net pension liability of the participating employers would be if it were calculated using a discount rate that is one percentage point lower (4.75%) or once percentage point higher (6.75%) than the current rate:

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
Assessor's proportionate share of the net pension liability	\$ 3,572,946	\$ 787,101	\$ (1,581,298)

Retirement Fund Audit Report

The Fund 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 Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898-4699, or by calling (225) 928-8886.

6. Operating Lease

The Assessor signed a three-year operating lease effective April 1, 2018 for the satellite office on Coursey Blvd. with a monthly base rent of \$2,375. For the year ended December 31, 2020, rent expense was \$28,500 for this lease. The lease was extended for an additional three years.

As of September 2020, the Assessor renewed its lease for the satellite office in Zachary. The lease term is for three years and the monthly payments are \$2,046. There is an option to renew for an addition three years at the end of the current lease. For the year ended December 31, 2020, rent expense was \$24,549 for this lease.

Future minimum lease payments due under these leases are as follows:

Due in year ending December 31			
2021	\$	53,049	
2022		53,049	
2023		44,866	
2024		7,125	
	\$	158,089	

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

7. Other Post Employment Benefits

General Information about the OPEB Plan

Plan description – The East Baton Rouge Parish Assessors' Office (the Assessor) provides certain continuing health care and life insurance benefits for its employees upon actual retirement. The employees are covered by the Louisiana Assessors' Retiree Medical Plan – which includes other Assessors in Louisiana. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit.

Benefits provided – Benefits are provided through a fully insured plan through the Louisiana Assessors' Association. Generally, employees are eligible for benefits at Age 55 with 12 years of service or after 30 years of service and any age. The Assessor pays 100% of the premium for retirees.

Employees covered by benefit terms – At January 01, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	40
Spouses of retirees	1
Active employees	48
Total	<u>89</u>

Total OPEB Liability

The Assessor's total OPEB liability of \$28,723,124 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs – The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

Inflation:	2.20%
Salary Increases:	3.0%; including inflation
Prior Discount rate	2.74%
Discount Rate:	2.12% per annum, compounded annually
Health Care Cost Trend Rates	
Non-Medicare Medical	Initially 6.40%, decreasing to ultimate rate of 3.70%.
Medicare Medical	Initially 5.40%, decreasing to ultimate rate of 3.70%.
Dental:	3.00%

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

Healthy retirement: Sex-distinct Pub-2010 General Mortality with separate employee and healthy annuitant rates, projected generationally using Scale MP-2020.

Beneficiaries: Sex-distinct Pub-2010 General Contingent Survivors Mortality, projected generationally using Scale MP-2020.

Disability retirement: Sex-distinct Pub-2010 General Disable Retirees Mortality, projected generationally using scale MP-2020.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of ongoing evaluations of the assumptions from January 01, 2014 to December 31, 2019.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

Changes in Total OPEB Liability

Balance at December 31, 2019	\$ 23,940,868
Changes for the year:	
Service cost	950,447
Interest on total OPEB liability	676,858
Changes of benefit terms	-
Differences between expected and actual experience	1,098,543
Changes of assumptions	2,436,003
Benefit payments	(379,505)
Balance as of December 31, 2020	\$ 28,723,214

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the Assessor, calculated using the discount rate of 2.74%, as well as what the Assessor's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.12%) or 1 percentage point higher (3.12%) than the current rate.

	1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB Liability	\$ 34,805,929	\$ 28,723,124	\$ 24,009,758

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

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 24,103,906	\$ 28,723,124	\$ 34,779,400

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

For the year ended December 31, 2020, the Assessor recognized OPEB expense of \$3,502,490. As of December 31, 2020, the deferred inflows and outflows of resources are as follows:

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2020

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,286,967
Changes of assumptions or other inputs	-	5,741,564
Amounts paid subsequent to the measurement date	-	-
Total	\$ -	\$ 7,028,531

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

Year Ended December 30:	
2021	\$2,254,690
2022	2,254,688
2023	1,452,029
2024	616,833
2025	450,291
Thereafter	-

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Governmental Fund - General Fund

Year Ended December 31, 2020

Statement of Revenues, Expenditures and Changes

in Fund Balance - Budget (Non-GAAP Basis) and Actual

	GAAP Basis	Actual Adjustment to Budget Basis	Budget Basis	Budget		Variance - Favorable (Unfavorable)
				Original	Final	
Revenues						
Ad valorem taxes	\$ 5,846,113	\$ -	\$ 5,846,113	\$ 5,500,000	\$ 5,500,000	\$ 346,113
Charges for services	144,923	-	144,923	300,000	300,000	(155,077)
Interest and investment earnings	19,368	(19,368) (1)	-	-	-	-
Miscellaneous	8,040	(8,040) (1)	-	-	-	-
Total Revenues	6,018,444	(27,408)	5,991,036	5,800,000	5,800,000	191,036
Expenditures						
Current						
General government						
Personnel services	3,957,568	-	3,957,568	4,002,660	4,002,660	45,092
Other services and charges	762,488	(13,284) (2)	749,204	530,150	530,150	(219,054)
Supplies	16,510	-	16,510	20,975	20,975	4,465
Capital outlay	91,930	-	91,930	114,000	114,000	22,070
Total Expenditures	4,828,496	(13,284)	4,815,212	4,667,785	4,667,785	(147,427)
Excess of Revenues Over (Under) Expenditures	1,189,948	\$ (14,124)	\$ 1,175,824	\$ 1,132,215	\$ 1,132,215	\$ 43,609
Fund Balances						
Beginning	<u>10,359,289</u>					
Ending	<u>\$ 11,549,237</u>					

Explanation of differences

- (1) Interest and investment income, and other miscellaneous revenues, are not budgeted.
- (2) Accrued expense and reversal of prior year accrued expense

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE**Schedule of Changes in Net OPEB****Year Ended December 31, 2020***Liability and Related Ratios*

	2018	2019	2020
Total OPEB liability			
Service cost	\$ 490,323	\$ 464,318	\$ 950,447
Interest	500,341	785,874	676,858
Changes of benefit terms	-	-	-
Differences between expected and actual experience	950,543	-	1,098,543
Changes of assumptions	3,530,162	3,708,579	2,436,003
Benefit payments	(337,607)	(373,523)	(379,505)
Net change in total OPEB liability	5,133,762	4,585,248	4,782,346
Total OPEB liability, beginning	14,221,858	19,355,620	23,940,868
Total OPEB liability, ending	<u>\$19,355,620</u>	<u>\$23,940,868</u>	<u>\$ 28,723,214</u>
Covered-employee payroll	2,604,640	2,519,811	2,431,032
Net OPEB liability as a percentage of covered-employee payroll	743.12%	950.11%	1181.52%

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

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Schedule of Employer's Proportionate Share of the Net Pension Liability

Year Ended December 31, 2020

Fiscal Year*	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2020	5.1520%	\$ 787,101	\$ 2,368,343	33.23%	96.79%
2019	5.1544%	\$ 1,359,649	\$ 2,293,162	59.29%	94.12%
2018	5.4953%	\$ 1,068,305	\$ 2,422,245	44.10%	95.46%
2017	5.7376%	\$ 1,006,782	\$ 2,518,917	39.97%	95.61%
2016	5.8421%	\$ 2,061,508	\$ 2,543,502	81.05%	90.68%
2015	5.9648%	\$ 3,121,519	\$ 2,493,023	125.21%	85.57%

LARS:

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

*The amounts presented have a measurement date of September 30 of the current fiscal year end.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Schedule of Employer's Pension Contributions

Year Ended December 31, 2020

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
<u>LARS:</u>					
2020	\$ 191,630	\$ 191,630	\$ -	\$ 2,395,381	8.00%
2019	\$ 183,342	\$ 183,342	\$ -	\$ 2,291,786	8.00%
2018	\$ 192,022	\$ 192,022	\$ -	\$ 2,400,282	8.00%
2017	\$ 238,441	\$ 238,441	\$ -	\$ 2,504,917	9.52%
2016	\$ 318,912	\$ 318,912	\$ -	\$ 2,522,137	12.64%
2015	\$ 340,826	\$ 340,826	\$ -	\$ 2,524,636	13.50%
2014	\$ 327,373	\$ 327,373	\$ -	\$ 2,424,985	13.50%
2013	\$ 320,476	\$ 320,476	\$ -	\$ 2,373,896	13.50%
2012	\$ 333,298	\$ 333,298	\$ -	\$ 2,468,874	13.50%
2011	\$ 331,975	\$ 331,975	\$ -	\$ 2,459,074	13.50%

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Other Supplementary Information

December 31, 2020

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

*Schedule of Compensation, Benefits and Other Payments to
Agency Head*

Year Ended December 31, 2020

Agency Head Name: Brian Wilson, Assessor

Purpose	
Salary	\$ 172,515
Benefits - insurance	13,526
Benefits - retirement	12,546
Deferred compensation (contributions made by the agency)	6,024
Benefits - cancer policy	240
Benefits - long-term healthcare	173
Benefits - Met-Life insurance	240
Vehicle provided by government	4,671
Dues	220
	<u>\$ 210,155</u>

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of the East Baton Rouge Parish Assessor's Office as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the East Baton Rouge Parish Assessor's Office's basic financial statements, and have issued our report thereon dated June 24, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of finding and responses as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

East Baton Rouge Parish Assessor's Office's Response to Findings

The East Baton Rouge Parish Assessor's Office's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The East Baton Rouge Parish Assessor's Office's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

PROVOST, SALTER, HARPER & ALFORD, LLC



June 24, 2021
Baton Rouge, Louisiana

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Schedule of Findings and Responses

December 31, 2020

Section I- Internal Control Findings

Item 2020-001 Financial statements are required to be prepared in accordance with generally accepted accounting principles.

Criteria. Management is responsible for the preparation of financial statements in accordance with generally accepted accounting principles.

Condition. The East Baton Rouge Assessor's Office does not have controls in place to prepare financial statements in accordance with generally accepted accounting principles.

Cause. The East Baton Rouge Parish Assessor's Office does not obtain the necessary continuing education required to be knowledgeable of new standards nor do they subscribe to any service to ensure a current library necessary to prepare financial statements in accordance with generally accepted accounting principles.

Effect. Material misstatements in the financial statements could go undetected.

Recommendation. Management should continue to evaluate the cost and related benefit to obtain the necessary training and resources to prepare financial statements in accordance with generally accepted accounting principles.

Management's response. The Assessor believes that his staff is fully competent to perform their assigned duties, encourages accounting personnel to attend continuing education courses to be knowledgeable of standards impacting the organization, however has determined it is most cost effective to request that the auditor assist with preparing adjustments necessary for the financial statements to be presented in accordance with generally accepted accounting principles. We will continue to monitor this issued on an annual basis.

Section II- Independent Auditor's Comment on Resolution of Prior Audit Findings Internal Control Findings

Item 2020-001 This is a repeat of a prior year's finding.