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**WEST BATON ROUGE PARISH ASSESSOR**

**PORT ALLEN, LOUISIANA**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2018**

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**WEST BATON ROUGE PARISH ASSESSOR**

**PORT ALLEN, LOUISIANA**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2018**

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## INDEPENDENT AUDITORS' REPORT

The Honorable Barney M. Altazan  
West Baton Rouge Parish Assessor  
Port Allen, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the West Baton Rouge Parish Assessor (the "Assessor") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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; the 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.

### **Auditors' Responsibility**

Our responsibility is to express opinions 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 judgement, including the assessment of the risk 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 included evaluating the appropriateness of accounting polices 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 opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the West Baton Rouge Parish Assessor as of December 31, 2018, 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.

## **Change in Accounting Principle**

As described in Note 1 to the financial statements, the Assessor adopted new accounting guidance, *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, the schedule of changes in net OPEB liability and related ratios, the schedule of proportionate share of the net pension liability, and the schedule of plan contributions on pages 3 through 8 and 32 through 35, respectively, 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquires, 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 an assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Baton Rouge Parish Assessor's basic financial statements. The schedule of compensation, benefits and other payments to chief executive officer is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to chief executive officer is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 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, information 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 14, 2019, on our consideration of the West Baton Rouge Parish Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Assessor's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the West Baton Rouge Parish Assessor's internal control over financial reporting and compliance.



June 14, 2019  
Gonzales, Louisiana

**WEST BATON ROUGE PARISH ASSESSOR**  
**Port Allen, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

The section of the West Baton Rouge Parish Assessor's financial report presents our discussion and analysis of the Assessor's financial performance during the year that ended on December 31, 2018. Please read it in conjunction with the Assessor's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

Our financial statements provide these insights into the results of this year's operations:

- The Assessor's total net position increased by \$308,230 over the course of the year's operations.
- The Assessor's expenses were \$308,230 less than the \$1,191,718 generated by taxes and other revenues.
- Revenues increased by 7.9 percent to \$1,191,718 while expenses for the year increased by 10.4 percent or \$82,932.
- The general fund reported a fund balance of \$2,191,603, an increase from December 31, 2017 of 23.3 percent.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This report consists of four parts –management's discussion and analysis (this section), the financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Assessor's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Assessor's government, reporting the Assessor's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the Assessor's financial statements, including the portion of the Assessor's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

**WEST BATON ROUGE PARISH ASSESSOR**  
**Port Allen, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

Figure A-1

Major Features of the Assessor's Government-wide and Fund Financial Statements

	<b>Fund Statements</b>	
	<b>Government-wide Statements</b>	<b>Governmental Funds</b>
Scope	Entire Assessor government	The activities of the Assessor
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter

**WEST BATON ROUGE PARISH ASSESSOR**  
**Port Allen, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

**Government-wide Statements**

The government-wide statements report information about the Assessor as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows, liabilities, deferred inflows and liabilities. All of the current period's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

These two government-wide report the Assessor's net assets and how they have changed. Net position – the difference between the Assessor's assets plus deferred outflows and liabilities plus deferred inflows – is one way to measure the Assessor's financial health, or position.

- Over time, increases or decreases in the Assessor's net position are an indicator of whether its financial health is improving or deterioration, respectively.
- To assess overall health of the Assessor you need to consider additional non-financial factors such as changes in the Parish's ad valorem tax base.

The government-wide financial statements of the Assessor include:

- Governmental activities – most of the Assessor's basic services are reported here, which include the general administration of the annual assessment of property values within the Parish. Ad Valorem taxes finance the majority of these activities.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the Assessor's most significant funds – not the Assessor as a whole. Funds are accounting devices that the Assessor uses to keep track of specific sources of funding and spending for particular purposes.

The Assessor has one type of fund:

- Governmental funds – All of the Assessor's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Assessor's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.

**WEST BATON ROUGE PARISH ASSESSOR**  
**Port Allen, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

**FINANCIAL ANALYSIS OF THE ASSESSOR AS A WHOLE**

The Statement of Net Position and the Statement of Activities reports have only one type of activity – governmental activities. Taxes collected from the public finance most of these activities.

Our analysis below focuses on the net position of the governmental-type activities:

**Table A-1**  
**Assessor's Net Position**

	Governmental Activities	
	<b>12/31/2018</b>	<b>(Restated) 12/31/2017</b>
Current and other assets	\$ 2,242,996	\$ 1,825,064
Capital assets	74,736	91,586
<b>Total assets</b>	<b>2,317,732</b>	<b>1,916,650</b>
Deferred outflows of resources	466,533	114,206
<b>Total assets and deferred outflows of resources</b>	<b>2,784,265</b>	<b>2,030,856</b>
Current liabilities	16,806	10,193
Long-term liabilities	1,583,688	1,271,591
<b>Total liabilities</b>	<b>1,600,494</b>	<b>1,281,784</b>
Deferred inflows of resources	234,395	107,926
<b>Total liabilities and deferred inflows of resources</b>	<b>1,834,889</b>	<b>1,389,710</b>
Net position		
Net investment in capital assets	74,736	91,586
Unrestricted	874,640	549,560
<b>Total net position</b>	<b>\$ 949,376</b>	<b>\$ 641,146</b>

Net position of the Assessor's governmental activities increased 48.0 percent or \$308,230 during the year. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation or other legal requirements changed from \$549,560 at December 31, 2017, to \$874,640 at the end of the current year end.

Changes in net position. The Assessor's total revenues increased 7.9 percent to \$1,191,718. (See Table A-2). Approximately 90 percent of the Assessor's revenue comes from ad valorem taxes.

The total cost of all expenses increased approximately \$83,000 or 10.4 percent. The Assessor expenses cover all of the services performed by its office.

**WEST BATON ROUGE PARISH ASSESSOR**  
**Port Allen, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

**Governmental Activities**

Revenues and expenses for the Assessor's governmental activities increased 7.9 and 10.4 percent, respectively, for the current year. The revenue generated for 2018 and 2017 covered the total cost of operations, as depicted in table A-2.

**Table A-2**  
**Changes in Assessor's Net Position**

	<b>Governmental Activities</b>	
	<b>12/31/2018</b>	<b>12/31/2017</b>
<b>Revenues:</b>		
General revenues:		
Ad valorem taxes	\$ 1,056,087	\$ 991,083
Interest	27,546	10,383
Miscellaneous	750	526
Contributions from non-employer contributing entity	107,335	102,939
<b>Total revenues</b>	<b>1,191,718</b>	<b>1,104,931</b>
<b>Function/Program expense:</b>		
General government	883,488	800,556
<b>Total expenses</b>	<b>883,488</b>	<b>800,556</b>
<b>Increase in net position</b>	<b>\$ 308,230</b>	<b>\$ 304,375</b>

- The cost of all governmental activities for the year increased approximately 10.4 percent to \$883,488 primarily due to the increase in pension related expenses.

**FINANCIAL ANALYSIS OF THE FUNDS**

As the Assessor completed the year, its governmental funds reported a fund balance of \$2,191,603, an increase from last year of \$414,220 or 23.3 percent.

**General Fund Budgetary Highlights**

Over the course of the year, there were amendments made to the general fund budget to reflect the decrease in ad valorem tax revenue due to the timing of revenue received by the Assessor. Amendments to the general fund budgeted expenditures were also made to increase personnel services and related benefits and operating services, and decrease material and supplies and travel and other charges.

**WEST BATON ROUGE PARISH ASSESSOR**  
**Port Allen, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

**CAPITAL ASSETS**

**Capital Assets**

At December 31, 2018, the Assessor had invested \$74,736 in capital assets. (See Table A-3)

**Table A-3**  
**Assessor's Capital Assets**  
**(net of depreciation)**

	<b>Governmental Activities</b>	
	<b>12/31/2018</b>	<b>12/31/2017</b>
Equipment	\$ 469,183	\$ 448,566
Accumulated Depreciation	(394,447)	(356,980)
<b>Net Capital Assets</b>	<b>\$ 74,736</b>	<b>\$ 91,586</b>

- Major additions of capital assets during the current fiscal year consisted mainly of aerial imagery.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Assessor is dependent on property tax collections in the Parish for 99 percent of its governmental fund revenues. The Assessor expects its revenues from ad valorem taxes for the 2019 fiscal year to be consistent with the 2018 fiscal year. The overall budgeted expenditures are expected to increase in the 2019 fiscal year.

**CONTACTING THE ASSESSOR'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Assessor's finances and to demonstrate the Assessor's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Barney M. Altazan, 850 8<sup>th</sup> St., Courthouse Bldg., Room 11, Port Allen, LA 70767.

**WEST BATON ROUGE PARISH ASSESSOR**  
**PORT ALLEN, LOUISIANA**

**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

**ASSETS**

Cash and cash equivalents	\$ 1,251,372
Intergovernmental receivables	977,563
Prepaid expenses	14,061
Capital assets, net of accumulated depreciation	<u>74,736</u>
 Total assets	 <u>2,317,732</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related	224,272
Other post-employment benefit related	<u>242,261</u>
Total deferred outflows of resources	<u>466,533</u>
 Total assets and deferred outflows of resources	 <u>\$ 2,784,265</u>

**LIABILITIES**

Accounts payable	\$ 4,195
Other liabilities	12,611
Long-term liabilities:	
Other post-employment benefits	1,429,197
Net pension liability	<u>154,491</u>
 Total liabilities	 <u>1,600,494</u>

**DEFERRED INFLOWS OF RESOURCES**

Pension related	157,581
Other post-employment benefit related	<u>76,814</u>
Total deferred inflows of resources	<u>234,395</u>

**NET POSITION**

Net investment in capital assets	74,736
Unrestricted	<u>874,640</u>
Total net position	<u>949,376</u>
 Total liabilities, deferred inflows of resources and net position	 <u>\$ 2,784,265</u>

The accompanying notes are an integral part of this statement.

**WEST BATON ROUGE PARISH ASSESSOR**  
**PORT ALLEN, LOUISIANA**

**STATEMENT OF ACTIVITIES**  
**DECEMBER 31, 2018**

		<u>Program Revenues</u>	
Governmental Activities	<u>Expenses</u>	<u>Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
General government	\$ 883,488	\$ -	\$ (883,488)
General Revenues:			
Taxes			1,056,087
Interest			27,546
Miscellaneous			750
Contributions from non-employer contributing entities			107,335
Total general revenues			<u>1,191,718</u>
Change in net position			308,230
Net position - beginning, as restated			<u>641,146</u>
Net position - ending			<u>\$ 949,376</u>

The accompanying notes are an integral part of this financial statement.

**WEST BATON ROUGE PARISH ASSESSOR**  
**PORT ALLEN, LOUISIANA**

**BALANCE SHEET - GOVERNMENTAL FUND**  
**DECEMBER 31, 2018**

**ASSETS**

Cash and cash equivalents	\$ 1,251,372
Intergovernmental receivables	977,563
Prepaid expenses	<u>14,061</u>
 TOTAL ASSETS	 <u>\$ 2,242,996</u>

**LIABILITIES**

Accounts payable	\$ 4,195
Other liabilities	12,611
TOTAL LIABILITIES	<u>16,806</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred property tax	<u>34,587</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>34,587</u>

**FUND BALANCE**

Nonspendable	14,061
Unassigned	<u>2,177,542</u>
TOTAL FUND BALANCE	<u>2,191,603</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u>\$ 2,242,996</u>
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The accompanying notes are an integral part of this financial statement.

**WEST BATON ROUGE PARISH ASSESSOR**  
**PORT ALLEN, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

Total Fund Balance at December 31, 2018 - Governmental Fund \$ 2,191,603

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

Deferred outflows-pension related 224,272  
Deferred outflows-other post-employment benefit related 242,261

Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental fund.

Cost of capital assets at December 31, 2018 \$ 469,183  
Less: Accumulated Depreciation as of December 31, 2018: (394,447) 74,736

Some revenues will not be collected for sixty days after year end, thus they are not considered "available" revenues in the governmental fund.

Ad valorem taxes 34,587

Long-term liabilities that are not due and payable in current period and, therefore, are not reported in the governmental fund.

Other Post-Employment Benefits (1,429,197)  
Net pension liability (154,491)  
Deferred inflows-pension related (157,581)  
Deferred inflows-other post-employment benefit related (76,814)

Net Position at December 31, 2018 \$ 949,376

The accompanying notes are an integral part of this financial statement.

**WEST BATON ROUGE PARISH ASSESSOR**  
**PORT ALLEN, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUND**  
**YEAR ENDED DECEMBER 31, 2018**

**REVENUES**

Ad valorem taxes	\$ 1,058,987
Interest	27,546
Miscellaneous	750
Total Revenues	<u>1,087,283</u>

**EXPENDITURES**

Personnel services and related benefits	574,891
Operating services	36,835
Material and supplies	35,710
Travel and Training	5,010
Capital Outlay:	20,617
Total Expenditures	<u>673,063</u>

EXCESS OF REVENUES OVER EXPENDITURES 414,220

FUND BALANCE AT BEGINNING OF YEAR 1,777,383

FUND BALANCE AT END OF YEAR \$ 2,191,603

The accompanying notes are an integral part of this financial statement.

**WEST BATON ROUGE PARISH ASSESSOR**  
**PORT ALLEN, LOUISIANA**  
**RECONCILIATION OF GOVERNMENTAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2018**

Net change in fund balance for the year ended December 31, 2018 \$ 414,220

The change in net position reported for governmental activities in the statement of activities is different because:

Some revenues will not be collected for sixty days after year end, thus they are not considered "available" revenues in the governmental fund.

Change in deferred ad valorem taxes (2,901)

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

Capital outlay capitalized	\$ 20,617	
Depreciation expense	<u>(37,467)</u>	(16,850)

Certain revenues in the statement of activities that do not provide available current financial resources are not reported as revenues in the funds.

Contributions from non-employer contributing entities 107,335

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditure in the governmental fund.

Net effect of change in net position liability and deferrals	(64,913)
Net other post-employment benefits	<u>(128,661)</u>

Total Change in Net Position for year ended December 31, 2018 \$ 308,230

The accompanying notes are an integral part of this financial statement.

**WEST BATON ROUGE PARISH ASSESSOR**  
**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**INTRODUCTION**

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the West Baton Rouge Parish Assessor (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 pecuniary responsible for the actions of deputies.

The Assessor's office is located in the West Baton Rouge Parish Courthouse in Port Allen, Louisiana. The Assessor employs five employees, including four deputies. In accordance with Louisiana Law, the Assessor bases real and moveable property assessments on conditions existing on January 1 of the tax year. The Assessor completes and 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.

**A. BASIS OF PRESENTATION**

The accompanying basic financial statements of the West 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 accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Assessor follows GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Some of the significant items in the Statement include:

- A Management's Discussion and Analysis (MD&A) section providing and analysis of the Assessor's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Assessor's activities.
- Fund financial statements that focus on the major funds.

**WEST BATON ROUGE PARISH ASSESSOR**  
**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. REPORTING ENTITY**

For financial reporting purposes, the Assessor's basic financial statements include all funds that are controlled by the Assessor as an independently elected Parish official. As an independently elected official, the Assessor is solely responsible for the operations of his office. Other than certain operating expenditures of the Assessor that are paid or provided by the West Baton Rouge Parish Assessor (the Assessor) as required by Louisiana Law, the Assessor is financially independent. Accordingly, the Assessor is a primary government for reporting purposes.

The criteria for including organizations as component units within the Assessor's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include items such as whether the organization is legally separate, whether the Assessor appoints a voting majority of the organization's board, whether the Assessor is able to impose his will on the organization, etcetera. The Assessor does not have any component units.

**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 related to certain Assessor functions and activities. A fund is designed as a separate fiscal and accounting entity with a self-balancing set of accounts.

**Governmental Funds**

Governmental funds account for all 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 funds 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 following is the Assessor's governmental fund:

**General Fund** – the primary operating fund of the Assessor and it accounts for all financial resources; except those required to be accounted for in other funds. The General Fund is available for any purpose it is expended or transferred in accordance with state and federal laws and according to Assessor policy.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Fund Financial Statements (FFS)**

The amounts reflected in the General Fund 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 balance 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 Assessor operations.

**WEST BATON ROUGE PARISH ASSESSOR**  
**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)**

**Fund Financial Statements (FFS) (continued)**

The amounts reflected in the General Fund use the modified accrual basis 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 collectable within the current period or soon enough thereafter to pay liabilities of the current period. The Assessor considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgements 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**

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All major revenues (ad valorem taxes) are susceptible to accrual.

Non-exchange transactions, in which the Assessor received value without directly giving in return, include ad valorem taxes. Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on December 1<sup>st</sup> of each year, and become delinquent after December 31<sup>st</sup>.

**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 and Statement of Activities display information about the Assessor as a whole. These statements include all the financial activities of the Assessor. Information contained in these columns 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).

The government-wide statement of activities demonstrated the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those clearly identifiable with a specific function or segment. Program revenues include charges paid by the recipients of goods and services offered by the program. Taxes and other items properly not included among program revenues are reported instead as general revenues.

**WEST BATON ROUGE PARISH ASSESSOR**  
**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. BUDGETS AND BUDGETARY ACCOUNTING**

The Assessor's office follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with the Budget Act of the State of Louisiana, the Assessor prepares an operating budget for the general fund at least fifteen days prior to the commencement of the budgetary year end. The operating budgets include proposed expenditures and the means of financing them for the upcoming year.
2. The budget is made available for public inspection for a fifteen-day period prior to a public hearing held to obtain taxpayer comment.
3. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
4. The budget is adopted at the public hearing and is authorized for implementation on the first day of the calendar year.
5. All annual appropriations lapse at year end.

**F. CASH AND CASH EQUIVALENTS**

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State law allows the Assessor to invest in collateralized deposits, government-backed securities, commercial paper, the state sponsored investment pool and mutual funds consisting solely of government-backed securities.

**G. RECEIVABLES AND PAYABLES**

Receivables consist of all revenues earned at year end and not yet received. Payables consist of liabilities incurred at year end and not yet paid.

**H. PREPAID ITEMS**

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**I. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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 revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**WEST BATON ROUGE PARISH ASSESSOR**  
**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. DEFERRED OUTFLOWS INFLOWS OF RESOURCES**

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The Assessor has two items that qualifies for this category; pension related deferrals and other post-employment benefits, which are reported in the government-wide statement.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at that time. The Assessor has three items that qualifies for this category; pension related deferrals, other post-employment benefits, and property taxes. The amounts deferred are recognized as an inflow of resources in the period that the amounts become available.

**K. CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Assessor maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 5 to 10 years.

**L. PENSION AND RETIREMENT PLAN**

The West Baton Rouge Assessor is a participating employer the Louisiana Assessors' Retirement Fund (Fund) as described in Note 6. 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 each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

**M. NET POSTION IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS**

For the government-wide statement of net position, the net position amount is classified and displayed in three components:

- Net investment in capital assets – This component 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 ae attributable to the acquisition, construction, or improvement of those capital assets.
- Restricted net position – This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws, regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**WEST BATON ROUGE PARISH ASSESSOR**  
**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**M. NET POSITION IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)**

- Unrestricted net position – This component consists of all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for uses, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

**N. FUND EQUITY OF FUND FINANCIAL STATEMENTS**

**Nonspendable** – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact

**Restricted** – represents balances where constraints have been established by parties outside the Assessor’s office or imposed by law through constitutional provisions or enabling legislation.

**Committed** – represents balances that can be used only for specific purposes pursuant to constraints imposed by formal action of the Assessor.

**Assigned** – represents balances that are constrained by the Assessor’s intent to be used for specific purposes but are neither restricted nor committed.

**Unassigned** – represents balances for which there are no constraints.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Assessor restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Assessor reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

**O. CURRENT YEAR ADOPTION OF NEW ACCOUNTING STANDARD AND RESTATEMENT OF NET POSITION**

The Assessor’s net position was restated due to the following:

- Adoption of Government Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*.

The net effect to the entity-wide Statement of Net Position for the prior year is as follows:

	<u>Governmental Activities</u>
Total Net Position, December 31, 2017, as previously reported	\$931,858
Change in Other post-employment benefit liability	<u>(290,712)</u>
Total Net Position, December 31, 2017, Restated	<u><u>\$641,146</u></u>

**WEST BATON ROUGE PARISH ASSESSOR**  
**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**2. CASH AND CASH EQUIVALENTS**

At December 31, 2018, the Assessor had a demand deposit cash account (book balances) totaling \$157,490. These deposits are stated at cost, which approximated market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value for the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of December 31, 2018, the Assessor's bank balances were not exposed to custodial credit risk.

As of December 31, 2018, the Assessor had \$1,093,632 invested in the Louisiana Asset Management Pool, Inc. (LAMP) which is include in the total cash and cash equivalents balance. The LAMP portfolio includes only securities and other obligations in which local governments are authorized to invest in accordance with LA-RS 33:2955.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA - R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method.

The 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 net asset value of the pool shares.

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

**WEST BATON ROUGE PARISH ASSESSOR**  
**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**3. PROPERTY TAXES**

The Assessor's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1, for all real and business personal property located in the Parish. The taxable value, upon which the levy for the 2018 calendar year was based, was \$427,957,220. The authorized and levied millage for West Baton Rouge Assessor Assessment District for the tax year 2018 was 2.47 mills. Taxes are due on December 1<sup>st</sup> and become delinquent by January 1<sup>st</sup> following the October 1<sup>st</sup> levy date.

The following are the top three principal taxpayers for the West Baton Rouge Parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Values</u>
The Dow Chemical Co.	Chemical	73,244,640	15.4%
ExxonMobil Corporation	Oil storage	37,815,460	8.0%
Placid Refining Company	Petroleum refinery	15,551,870	3.3%

**4. RECEIVABLES**

The Assessor has receivables of \$977,563 at December 31, 2018. These receivables consist of ad valorem taxes.

**5. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2018, are as follows:

	<u>Furniture and Equipment</u>
Cost of Capital Assets, December 31, 2017	\$ 448,566
Additions	20,617
Deletions	-
Cost of Capital Assets, December 31, 2018	<u>469,183</u>
Accumulated depreciation, December 31, 2017	356,980
Additions	37,467
Deletions	-
Accumulated depreciation, December 31, 2018	<u>394,447</u>
Capital assets, net of accumulated Depreciation, at December 31, 2018	<u>\$ 74,736</u>

For the year ended December 31, 2018, depreciation expense was \$37,467.

**WEST BATON ROUGE PARISH ASSESSOR**  
**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**6. PENSION AND RETIREMENT PLAN**

The West Baton Rouge Assessor (the Assessor) is a participating employer in a cost-sharing defined benefit pension plan. The Louisiana Assessors' Retirement Fund was created by Act 91 Section I of the 1950 regular legislature Session. The fund is a cost sharing, multiple-employer, qualified governmental defined benefit pension plan covering assessors and their deputies employed by any parish of the State of Louisiana, under the provisions of Louisiana Revises 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 Louisiana Assessors' Retirement Fund is a condition of employment for Assessors and their full-time employees.

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 Assessor's Retirement System, Post Office Box 1786, Shreveport, Louisiana, 71166-1786, or by calling (318)425-4446.

The Assessor implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require the Assessor to the record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

**Plan Description:**

**Louisiana Assessor Retirement Fund**

Substantially all employees of the West Baton Rouge Parish Assessor's office are members of the Louisiana Assessor's Retirement System (system), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and not drawing 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 credible service or at or after age 50 with at least 30 years of credible service is entitled to retirement benefit, payable monthly for life, equal to 3.33 percent of their final average salary, based on years of service. 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 do not withdraw their employee contributions may retire at or the age 55 and receive benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

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

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.

**WEST BATON ROUGE PARISH ASSESSOR**  
**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**6. PENSION AND RETIREMENT PLAN (continued)**

**Funding Policy**

Under the plan, members are required by state statute to contribute 8.0 percent of their annual covered salary and the West Baton Rouge Parish Assessor is required to contribute at an actuarially determined rate. Effective October 1, 2017, the Assessor's contribution rate is 8.0 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent of the property taxes assessed in each parish of the state. The contribution requirements of plan members and the West Baton Rouge Parish Assessor are established and may be amended by state statute.

In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended September 30, 2018.

Contributions to the plan are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended December 31, 2018, for the Assessor and covered employees were as follows:

	Assessor	Employees
Louisiana Assessors' Retirement Fund		
All employees January – December 2018	8.00%	8.00%

The contributions made to the System for the past three years, which equaled the required contributions for each of these years, were as follows:

	2018	2017	2016
Louisiana Assessors' Retirement Fund	\$28,023	\$34,152	\$43,338

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

The following schedule lists the Assessor's proportionate share of the Net Pension Liability allocated by the pension plan for based on the September 30, 2018 measurement date. The Assessor uses this measurement to record its Net Pension Liability and associated amount as of December 31, 2018, in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at September 30, 2018 along with the change compared to the September 30, 2018 rate. The Assessor's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at September 30, 2018	Rate at September 30, 2018	Increase (Decrease) on September 30, 2018
Louisiana Assessors' Retirement Fund	\$ 154,491	0.7947%	0.0168%

The pension's plan recognized a net pension benefit of the Assessor for the year ended September 30, 2018 was \$64,913.

**WEST BATON ROUGE PARISH ASSESSOR**

**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**6. PENSION AND RETIREMENT PLAN (continued)**

At December 31, 2018, the Assessor reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,656	\$ (70,732)
Changes of assumptions	198,245	-
Net difference between projected and actual earnings on pension plan investments	-	(78,657)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	7,835	(6,309)
Differences between allocated and actual contributions	-	(1,883)
Employer contributions subsequent to the measurement date	6,536	-
Total	<u>\$ 224,272</u>	<u>\$ (157,581)</u>

The Assessor reported a total of \$6,536 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of September 30, 2018 which will be recognized as a reduction in Net Pension Liability in the year ended December 31, 2018.

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

<u>Year</u>	
2019	\$ 34,066
2020	(11,429)
2021	(1,195)
2022	19,906
2023	<u>18,807</u>
	<u>\$ 60,155</u>

**Actuarial Assumptions**

The current year actuarial assumptions utilized for this report are based on the assumptions used in the September 30, 2018 actuarial funding valuation, which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2009 through June 30, 2014 unless otherwise specified.

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plans as of September 30, 2018 are as follows:

	<u>Louisiana Assessor Retirement Fund</u>
<b>Valuation Date</b>	September 30, 2018
<b>Actuarial Cost Method</b>	Entry Age Normal Cost
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining Service Lives</b>	6 years

**WEST BATON ROUGE PARISH ASSESSOR**

**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**6. PENSION AND RETIREMENT PLAN (continued)**

**Actuarial Assumptions (continued)**

**Louisiana Assessor Retirement Fund**

<b>Investment Rate of Return</b>	6.25% net of investment expenses
<b>Inflation Rate</b>	2.20%
<b>Salary Increases</b>	5.750%
<b>Mortality</b>	Annuitant and beneficiary mortality rates are based on the RP-2000 Healthy Annuitant Table set forward one year and projected to 2030 for males and females, Active members mortality RP-2000 Employee Table set back four years for males and three years for females, Disabled lives mortality RP-2000 Disabled Lives Mortality Table set back five years for males and three years for females.
<b>Cost of Living Adjustments</b>	The present value of the future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do include provisions for potential increases not yet authorized by the Board of Trustees.

The following method is used by the retirement system in determining the long-term rate of return on pension plan investments:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 and an adjustment for the effect of rebalancing/diversification. The long-term expected rate of return selected for this report by the Fund is 6.25% for the year September 30, 2018.

The following table provides a summary of the best estimated of arithmetic/geometric real rates of return for the major asset class included in the Retirement System target asset allocations as of September 30, 2018:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real Estate	4.50%
Alternative Assets	6.24%

**WEST BATON ROUGE PARISH ASSESSOR**  
**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**6. PENSION AND RETIREMENT PLAN (continued)**

***Discount Rate***

The long-term expected rate of return selected for this report by the Fund was 6.25%. The projection of cash flows used to determine the discount rate assumes that contributions from plan member will be made at the current contribution rate and that contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions and the other assumptions and methods as specified in this report, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Thus, the discount rate used to measure the total pension liability was 6.25%.

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the Assessor's proportionate shares of the Net Pension Liability (NPL) using the discount rate of the Retirement System as well as what the Assessor's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by the Retirement System:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Rates	5.25%	6.25%	7.25%
West Baton Rouge Parish Assessor Share of NPL	\$ 519,619	\$ 154,491	\$ (158,319)

**Amounts Payable to Pension Plan**

There were no amounts payable to the pension plan as of December 31, 2018.

**7. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

*Plan Description.* Upon retirement, employees of the West Baton Rouge Parish Assessor voluntarily participate in the Assessor's medical, dental, and life insurance post-employment benefit, a single-employer defined benefit plan over which the Assessor has the authority to establish and amend benefit plan provisions. The Assessor has agreed to pay 100% of the premiums cost for the retirees and their spouse. 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.* The Assessor provides medical, dental, and life insurance benefits for eligible employees, retirees, and their dependents through the Louisiana Assessor's Association. The Assessor pays for the cost of the employee's and retiree's medical, dental, and life coverage. The retiree can also elect to cover his or her spouse and dependents but must pay the entire premium for their coverage. The Assessor recognizes the cost of providing these benefits (the Assessor's portion of premiums) as an expenditure when the monthly premiums were due. The benefits are financed on a pay-as-you-go basis.

**WEST BATON ROUGE PARISH ASSESSOR**

**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)**

*Employees covered by benefit terms* – At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Active employees	4
	<hr/>
	8

**Total OPEB Liability**

The Assessor's total OPEB liability of \$1,429,197 was measured as of December 31, 2018 and was determined by an actuarial valuation as of January 1, 2018.

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

Actuarial Methods and Assumptions. The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.1%
Inflation	2.3%
Salary increases including inflation	3.0%
Medical Trend Rate	Non-Medicare Retirees 4.0%; Medicare Retirees 4.7%

*Actuarial Cost Method.* The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. Under this method, a projected retirement benefit at assumed retirement age is computed for each participant using anticipated future pay increases. The normal cost for each participant is computed as the level percentage of pay which, if paid from each participant's date of employment by the employer or any predecessor employer (thus, entry age) to his assumed retirement date, would accumulate with interest at the rate assumed in the valuation to an amount sufficient to fund his projected retirement benefit. The normal cost for the plan is the total of the individually computed normal costs for all participants including the costs for any death or disability benefits under the plan.

The accrued liability at any point in time for an active participant is the theoretical fund that would have been accumulated on his behalf from his normal cost payments and the earnings thereon for all prior years if the plan had always been in effect. For persons receiving benefits or entitled to a deferred vested retirement income, the accrued liability cost is equal to the present value of their future benefit payments. The accrued liability for the plan is the total of the individually computed accrued liability for all participants. The unfunded accrued liability for the plan is the excess of the accrued liability over the assets which have been accumulated for the plan.

It should be noted that the accrued liability as of any date is not the actuarially computed present value of accrued or accumulated plan benefits as of that date. The accrued liability is the portion of the ultimate cost assigned to prior years by the cost method being used.

*Discount Rate.* Based on the Bond Buyer General Obligation 20-Bond Municipal Index.

*Medical Trend Rate.* Trend was calculated assuming an implied inflation rate of 2.3% per year, and actual premiums. The short-term trend rate for non-medicare retirees starts off at 4.0%, and at 4.7% for medicare retirees and reflects the ACA Excise Tax effective 2022. Rates for 2018 from this report were used, with rates beyond 2018 graduated down to an ultimate annual rate of 3.9% for years 2096 through 2101 for non-medicare and medicare retirees.

**WEST BATON ROUGE PARISH ASSESSOR**

**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)**

*Mortality Rates.* Healthy retirement-Sex-distinct RP-2014 Total Dataset Mortality with separate employee, healthy annuitant rates, projected generationally using scale MP-2017. Disability retirement-Sex-distinct RP-2014 Total Dataset Mortality with separate employee, disabled annuitant rates, projected generationally using scale MP-2017.

*Participation Assumption.* 100 percent of members at retirement are assumed to elect retiree medical coverage.

*Marriage Assumption.* For active participates, it is assumed that husbands are three years older than their wives with 40 percent of active participants electing spouse coverage at retirement.

**Changes in the Total OPEB Liability**

Balance as of December 31, 2017	\$1,135,089
Changes for the year:	
Service cost	55,546
Interest on total OPEB liability	40,572
Effect of economic/demographic gains or losses	323,015
Effect of assumptions or inputs	
Change due to claims costs update	33,363
Change due to trend update	(78,940)
Change due to mortality update	86,700
Change due to discount rate update	(143,542)
Benefit payments	(22,606)
Net changes in total OPEB liability	<u>294,108</u>
Balance as of December 31, 2018	<u>\$1,429,197</u>

*Sensitivity Analysis*

The following presents the total OPEB liability of the Assessor, calculated using the discount rate of 4.10%, 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 (3.10%) or 1 percentage point higher (5.10%) than the current rate.

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>3.10%</u>	<u>4.10%</u>	<u>5.10%</u>
Total OPEB Liability	\$1,691,534	\$1,429,197	\$1,222,636

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
		<u>Trend Rate</u>	
Total OPEB Liability	\$1,255,671	\$1,429,197	\$1,655,957

**WEST BATON ROUGE PARISH ASSESSOR**

**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)**

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

For the year ended December 31, 2018, the Assessor recognized OPEB expense of \$128,661. At December 31, 2018, the Assessor reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$242,261	\$ -
Change of assumptions	-	(76,814)
Total	<u>\$242,261</u>	<u>\$(76,814)</u>

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

<b>Years ending December 31:</b>	
2019	\$ 55,149
2020	55,149
2021	55,149
2022	-
2023	-
Thereafter	-
	<u>\$165,447</u>

**8. COMPENSATION**

The compensation and expense allowance paid the Assessor, Barney Altazan, has been prepared in compliance with Louisiana Revised Statutes 47:1907. Under these statutes, the annual salary of the Assessor is fixed at \$131,796 and, in addition, the Assessor is granted ten percent of the annual compensation, or \$13,180, as personal expense allowance provided that the tax receipts of the tax receipt body are not reduced. The compensation and expense allowance paid to the Assessor are included in the expenditures of the General Fund as a component of salaries.

**9. DEFERRED COMPENSATION PLAN**

All current employees are eligible to participate in the Louisiana Public Employees Deferred Compensation Plan. Through payroll deductions, employees can make pre-tax contributions to this 457 plan from eligible pay. The amount allowed to contribute to the plan is based on taxable compensation as defined by the Internal Revenue Code (IRC). In 2018, the Assessor's office matched employee's contributions up to 6.0%, dollar for dollar. The total employer contributions made for December 31, 2018 was \$15,832.

**10. LITIGATIONS AND CLAIMS**

There was no pending or threatened litigation against the West Baton Rouge Parish Assessor as of December 31, 2018. No claims were paid out or litigation costs incurred during the year ended December 31, 2018.

**WEST BATON ROUGE PARISH ASSESSOR**

**Port Allen, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**11. RISK MANAGEMENT**

The Assessor is exposed to various risk of loss to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Assessor has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage for the prior year. No settlements were made during the year that exceeded the Assessor's coverage.

**12. EXPENDITURES OF THE ASSESSOR PAID BY THE PARISH COUNCIL**

The West Baton Rouge Parish Council provides the Assessor its building, utilities, and maintenance. These expenditures are not included in the accompanying financial statements.

**13. TAX ABATEMENTS**

The local government is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP"). For the year ending December 31, 2018, the government participated in the Industrial Tax Exemption Program.

Under the ITEP, as authorized by *Article 7, Section 21(F) of the Louisiana Constitution and Executive Order Number JBE 2016-73*, companies that qualify as manufacturers can apply to the State Board for a property tax exemption on all new property, as defined, used in the manufacturing process. Under the ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. Under the original program guidelines, the exemptions are granted for a 5-year term and are renewable for an additional 5-year term upon approval by the State Board. Effective June 24, 2016 the term of the exemption contract which shall be for up to, but no more than five years and may provide for an ad valorem exemption of up to 100 percent and terms for renewal may be included provided that the renewal of the contract shall be for a period up to, but no more than three years and may provide for an ad valorem tax exemption of up to, but no more than 80 percent. In the case of the local government, these state-granted abatements have resulted in reductions of property taxes, which the tax assessor administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement.

Taxes abated for the fiscal year ended December 31, 2018 were as follows:

	<u>Total</u>
Tax Abatement Program	
Industrial Tax Exemption Program	<u>\$ 740,356</u>
	<u>\$ 740,356</u>

**14. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date the financial statements were available to be issued, June 14, 2019, and determined that there were no events that require disclosure.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**WEST BATON ROUGE PARISH ASSESSOR**  
**PORT ALLEN, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2018**

	Original Budget	Final Budget	Actual	Variance - positive - (negative)
<b>REVENUES</b>				
Ad valorem taxes	\$ 942,000	\$ 925,000	\$ 1,058,987	\$ 133,987
Interest	12,000	27,500	27,546	46
Miscellaneous	1,000	500	750	250
Total revenues	<u>955,000</u>	<u>953,000</u>	<u>1,087,283</u>	<u>134,283</u>
<b>EXPENDITURES</b>				
Personal services and related benefits	563,000	572,500	574,891	(2,391)
Operating services	31,000	35,500	36,835	(1,335)
Material and supplies	33,500	31,500	35,710	(4,210)
Travel and other charges	6,000	5,500	5,010	490
Capital Outlay	25,000	21,000	20,617	383
Total expenditures	<u>658,500</u>	<u>666,000</u>	<u>673,063</u>	<u>(7,063)</u>
EXCESS OF REVENUES OVER EXPENDITURES	296,500	287,000	414,220	141,346
FUND BALANCE AT BEGINNING OF YEAR	<u>1,777,400</u>	<u>1,777,400</u>	<u>1,777,383</u>	<u>(17)</u>
FUND BALANCE AT END OF YEAR	<u>\$ 2,073,900</u>	<u>\$ 2,064,400</u>	<u>\$ 2,191,603</u>	<u>\$ 141,329</u>

**WEST BATON ROUGE PARISH ASSESSOR**  
**PORT ALLEN, LOUISIANA**

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2018</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 55,546
Interest	40,572
Effect of plan changes	-
Effect of economic/demographic gains or (losses)	323,015
Effect of assumption changes or inputs	(102,419)
Benefit payments	<u>(22,606)</u>
<b>Net change in total OPEB liability</b>	294,108
<b>Total OPEB liability- beginning</b>	<u>1,135,089</u>
<b>Total OPEB liability- ending</b>	<u>\$ 1,429,197</u>
Covered employee payroll	\$ 352,916
Total OPEB liability as a percentage of covered employee payroll	404.97%

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

**Notes to Schedule:**

*Benefit Plan Changes . There were no changes of benefit terms for the year ended December 31, 2018.*

**WEST BATON ROUGE PARISH ASSESSOR**  
**PORT ALLEN, LOUISIANA**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**LAST TEN FISCAL YEARS (1)**

**Louisiana Assessors' Retirement Fund**

As of the fiscal year ended (2):	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's Proportion of Net Pension Liability (Assets)	0.7947%	0.7779%	0.8026%	0.7675%
Employer's Proportionate Share of the Net Pension Liability (asset)	\$ 154,491	\$ 136,502	\$ 283,206	\$ 401,649
Employer's Covered-Employee Payroll	\$ 350,286	\$ 341,517	\$ 349,421	\$ 322,499
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	44.1042%	39.9693%	81.0501%	124.5427%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.4566%	95.6104%	90.6777%	85.5673%

*(1) Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

*(2) The amounts presented have a measurement date of September 30th fiscal year end.*

**WEST BATON ROUGE PARISH ASSESSOR**  
**PORT ALLEN, LOUISIANA**

**SCHEDULE OF PLAN CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS (1)**

**Louisiana Assessors' Retirement Fund**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 28,233	\$ 34,152	\$ 43,117	\$ 43,731
Contributions in relation to contractually required contributions	<u>\$ 28,233</u>	<u>\$ 34,156</u>	<u>\$ 43,338</u>	<u>\$ 43,731</u>
Contribution deficiency (excess)	\$ -	\$ (4)	\$ (221)	\$ -
Employer's Covered Employee Payroll	\$ 352,916	\$ 341,517	\$ 341,518	\$ 323,933
Contributions as a % of Covered Employee Payroll	8.00%	10.00%	12.63%	13.50%

*(1) Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

**WEST BATON ROUGE PARISH ASSESSOR**  
**PORT ALLEN, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS**  
**AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER**  
**YEAR ENDED DECEMBER 31, 2018**

**CHIEF EXECUTIVE OFFICER:** Barney M. Altazan, Assessor

	<b>Totals</b>
Salary	\$ 131,796
Expense Allowance	13,180
Benefits-Retirement	23,196
Benefits Deferred Comp	6,500
Benefits-Insurance	23,127
Vehicle	2,380
Cellphone	1,656
Membership Dues	210
Conference Registration Fees	645
Travel & Meals	2,347
	<u>\$ 205,037</u>



**INDEPENDENT AUDITORS' 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 Barney M. Altazan  
West Baton Rouge Parish Assessor  
Port Allen, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of American and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the West Baton Rouge Parish Assessor (the "Assessor"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the West Baton Rouge Parish Assessor's basic financial statements, and have issued our report thereon dated June 14, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the West Baton Rouge Parish Assessor's internal control over financial reporting (internal control) to determine the 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 West Baton Rouge Parish Assessor's internal control. Accordingly, we do not express an opinion on the effectiveness of the Assessor's internal control.

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

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

**Compliance and Other Matters**

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

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Deen, Dupuy & Ruiz*

Gonzales, Louisiana  
June 14, 2019

**WEST BATON ROUGE PARISH ASSESSOR  
PORT ALLEN, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**

**YEAR ENDED DECEMBER 31, 2018**

**SUMMARY OF AUDIT RESULTS**

1. The independent auditors' report expresses an unmodified opinion on whether the financial statements of West Baton Rouge Parish Assessor were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' 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*.
3. No instances of noncompliance material to the financial statements of West Baton Rouge Parish Assessor which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

**FINDINGS - FINANCIAL STATEMENT AUDIT**

None

**NON-COMPLIANCE WITH STATE LAWS AND REGULATIONS**

None

**WEST BATON ROUGE PARISH ASSESSOR  
PORT ALLEN, LOUISIANA**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED DECEMBER 31, 2018**

**FINDINGS - FINANCIAL STATEMENT AUDIT**

None

**NON-COMPLIANCE WITH STATE LAWS AND REGULATIONS**

None



## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Barney M. Altazan, West Baton Rouge Parish Assessor, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the West Baton Rouge Parish Assessor (the "Assessor") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Assessor's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

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

b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

*Written policies and procedures were obtained and address the functions noted above with the exception of how vendors are added to the vendor list and the preparation and approval process of purchase requisitions and purchase orders.*

*Management's response: The Assessor does not deem maintaining a vendor list necessary since the Assessor approves all invoices and signs all checks for disbursements. The Assessor does not utilize purchase requisitions and purchase orders; therefore, a description of this process is not included in the purchasing policy.*

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

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

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

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

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

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

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

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

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

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

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

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

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*Written policies and procedures were obtained and address the functions noted above with the exception of the requirement that all employees/officials annually attest through signature verification that they have read the ethics policy.*

*Management's response: The Assessor has amended its ethics policy effective January 1, 2019 to include this requirement.*

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

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

### **Board or Finance Committee**

---

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*The Assessor does not have a board or finance committee. Therefore; no minutes of meetings required to be maintained by the Assessor.*

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

*The Assessor does not have a board or finance committee. Therefore; no minutes of meetings required to be maintained by the Assessor.*

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

*The Assessor does not have a board or finance committee. Therefore; no minutes of meetings required to be maintained by the Assessor.*

### **Bank Reconciliations**

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

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

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

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

### ***Collections***

---

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

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

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

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

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

*No exceptions noted.*

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

*Employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.*

*Management's Response: Due to the limited number of resources available, the Assessor is unable to adequately segregate these duties. The Assessor reviews monthly financial statements as well as bank reconciliations and statements from financial institutions in efforts to mitigate risk associated with the lack of segregation of duties related to this function.*

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

*Employee responsible for collecting cash is responsible for posting collection entries to the general ledger or subsidiary ledgers without another employee/official responsible for reconciling ledger postings to each other and to deposit.*

*Management's Response: Due to the limited number of resources available, the Assessor is unable to adequately segregate these duties. The Assessor reviews monthly financial statements as well as bank reconciliations and statements from financial institutions in efforts to mitigate risk associated with the lack of segregation of duties related to this function.*

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

*Employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source is responsible for collecting cash, without another employee verifying the reconciliation.*

*Management's Response: Due to the limited number of resources available, the Assessor is unable to adequately segregate these duties. The Assessor reviews monthly financial statements as well as bank reconciliations and statements from financial institutions in efforts to mitigate risk associated with the lack of segregation of duties related to this function.*

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

*No exceptions noted.*

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

a) Observe that receipts are sequentially pre-numbered.

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

*No exceptions noted.*

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

*No exception noted.*

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*Obtained listing of locations that process payments and management's representation that listing is complete.*

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

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

*No exceptions noted.*

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

*No exceptions noted.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*The person responsible for processing payments is not prohibited from adding/modifying vendor files and there is no evidence that another employee is responsible for periodically reviewing changes to vendor files.*

*Management's response: Due to the limited number of resources available, the Assessor is unable to adequately segregate these duties. The Assessor opens mail, reviews and approves invoices prior to forwarding the invoices to the individual responsible for processing payments and adding/modifying vendor files. In addition, the Assessor reviews monthly financial statements as well as bank reconciliations and statements from financial institutions in efforts to mitigate risk associated with the lack of segregation of duties related to this function.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*Employee responsible for processing checks for payment is also responsible for mailing checks.*

*Management's response: Due to the limited number of resources available, the Assessor is unable to adequately segregate these duties. The Assessor opens mail, reviews and approves invoices prior to forwarding the invoices to the individual responsible for processing payments. Although the individual responsible for processing checks for payment and for mailing checks is not an authorized signor, the checks are returned to the employee to mail. In addition, the Assessor reviews monthly financial statements as well as bank reconciliations and statements from financial institutions in efforts to mitigate risk associated with the lack of segregation of duties related to this function.*

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

*No exceptions noted.*

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

*No exceptions noted for procedure items 9a and 9b. Exceptions were noted for procedure items 9c and 9d.*

*Management's response: See management's response to these items above.*

### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

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

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

*Travel and Travel-Related Expense Reimbursements (excluding card transactions)*

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

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

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

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

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

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

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

## Contracts

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

## *Payroll and Personnel*

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

*No exceptions noted.*

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

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

*No exceptions noted.*

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

*No exceptions noted in regards to attendance approved by a supervisor. One of the five employee's leave taken for the period selected was not approved by a supervisor.*

*Management's response: The Assessor feels this was an isolated event. Leave records for periods prior and subsequent to period selected were utilized by employee, approved and maintained by the Assessor. The Assessor will discuss the importance of properly requesting and approving all leave taken by employees.*

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

*No exceptions noted.*

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

*Management represented that no employees were terminated during the fiscal period nor did the Assessor make termination payments to any employee/official.*

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*Management represented that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.*

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
  - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

### ***Debt Service***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

*Management represented that no bonds/notes were issued during the fiscal period that require State Bond Commission approval. No exceptions noted.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

*Management represented that there were no bonds/notes outstanding at the end of the fiscal period. No exceptions noted.*

*Other*

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Management asserted that the entity did not have any misappropriations of public funds or assets.*

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

*No exceptions noted.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Diez, Dupuy & Ruiz*

Gonzales, Louisiana

June 14, 2019