
WEST BATON ROUGE PARISH ASSESSOR

PORT ALLEN, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

WEST BATON ROUGE PARISH ASSESSOR

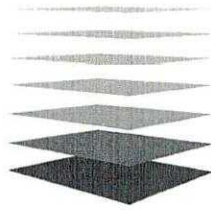
PORT ALLEN, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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DDR

DIEZ, DUPUY & RUIZ, LLC

INDEPENDENT AUDITORS' REPORT

The Honorable Christopher P. Guerin
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, 2020, 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 25, 2021, 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.

Diez, Dupuy & Ruiz

June 25, 2021
Gonzales, Louisiana

WEST BATON ROUGE PARISH ASSESSOR
Port Allen, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

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, 2020. 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 decreased by \$763,119 over the course of the year's operations.
- The Assessor's expenses were \$763,119 less than the \$131,209 generated by taxes and other revenues.
- Revenues decreased by 90.0 percent to \$131,209 while expenses for the year decreased by 13.0 percent or \$133,916.
- The general fund reported a fund balance of \$1,973,261, a decrease from December 31, 2019 of 26.2 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, 2020

Figure A-1

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

	Fund Statements	
	Government-wide Statements	Governmental Funds
Scope	Entire Assessor government	The activities of the Assessor
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balance
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, 2020

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, 2020

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	
	12/31/2020	12/31/2019
Current and other assets	\$ 1,980,132	\$ 2,715,955
Capital assets	100,898	96,122
Total assets	2,081,030	2,812,077
Deferred outflows of resources	676,418	606,740
Total assets and deferred outflows of resources	2,757,448	3,418,817
Current liabilities	6,871	16,695
Long-term liabilities	1,595,155	1,989,285
Total liabilities	1,602,026	2,005,980
Deferred inflows of resources	684,422	178,718
Total liabilities and deferred inflows of resources	2,286,448	2,184,698
Net position		
Net investment in capital assets	100,898	96,122
Unrestricted	370,102	1,137,997
Total net position	\$ 471,000	\$ 1,234,119

Net position of the Assessor's governmental activities decreased 61.8 percent or \$763,119 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 \$1,137,997 at December 31, 2019, to \$370,102 at the end of the current year end.

Changes in net position. The Assessor's total revenues decreased 90.0 percent to \$131,209. (See Table A-2). The Assessor elected not to authorize or levy their millage for the 2020 tax year. Approximately 86.2 percent of the Assessor's revenue comes from the Assessor's proportionate share of non-employer contributions made to the Louisiana Assessor's Retirement Fund.

The total cost of all expenses decreased approximately \$131,000 or 13.0 percent. The Assessor's 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, 2020

Governmental Activities

Revenues and expenses for the Assessor's governmental activities decreased 90.0 and 13.0 percent, respectively, for the current year. The revenue generated for 2020 and 2019 covered the total cost of operations, as depicted in table A-2.

Table A-2
Changes in Assessor's Net Position

	Governmental Activities	
	12/31/2020	12/31/2019
Revenues:		
General revenues:		
Ad valorem taxes	\$ -	\$ 1,154,500
Interest	17,079	48,141
Miscellaneous	1,041	500
Contributions from non-employer contributing entity	113,089	109,846
Total revenues	131,209	1,312,987
Function/Program expense:		
General government	894,328	1,028,244
Total expenses	894,328	1,028,244
(Decrease) increase in net position	\$ (763,119)	\$ 284,743

- The governmental activities revenues for the year decreased 90.0 percent to \$131,209 primarily due to the Assessor authorized and levied 0 mils for 2020 tax year, therefore, did not collect Ad Valorem Taxes for the 2020 tax year.
- The cost of all governmental activities for the year decreased approximately 13.0 percent to \$894,328 primarily due to the decrease in pension and OPEB related expenses.

FINANCIAL ANALYSIS OF THE FUNDS

As the Assessor completed the year, its governmental funds reported a fund balance of \$1,973,261, a decrease from last year of \$2,672,345 or 26.2 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, 2020

CAPITAL ASSETS

Capital Assets

At December 31, 2020, the Assessor had invested \$100,898 in capital assets. (See Table A-3)

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

	Governmental Activities	
	12/31/2020	12/31/2019
Equipment	\$ 556,704	\$ 510,138
Accumulated Depreciation	(455,806)	(414,016)
Net Capital Assets	\$ 108,898	\$ 96,122

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

LONG-TERM LIABILITIES

Long-term liabilities consist of:

Other Post-Employment Benefits

At December 31, 2020, the Assessor reported a net OPEB obligation in the amount of \$1,476,795.

Net Pension Liability

At December 31, 2020, the Assessor reported a total NPL obligation in the amount of \$118,360.

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 2021 fiscal year to increase from the 2020 fiscal year. The overall budgeted expenditures are expected to increase in the 2021 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. Christopher Guerin, 850 8th St., Courthouse Bldg., Room 11, Port Allen, LA 70767.

WEST BATON ROUGE PARISH ASSESSOR
PORT ALLEN, LOUISIANA

STATEMENT OF NET POSITION
DECEMBER 31, 2020

ASSETS

Cash and cash equivalents	\$ 1,959,311
Prepaid expenses	20,821
Capital assets, net of accumulated depreciation	<u>100,898</u>
Total assets	<u>2,081,030</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related	276,656
Other post-employment benefit related	<u>399,762</u>
Total deferred outflows of resources	<u>676,418</u>
Total assets and deferred outflows of resources	<u><u>\$ 2,757,448</u></u>

LIABILITIES

Accounts payable and other liabilities	\$ 6,871
Long-term liabilities:	
Other post-employment benefits	1,476,795
Net pension liability	<u>118,360</u>
Total liabilities	<u>1,602,026</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	191,968
Other post-employment benefit related	<u>492,454</u>
Total deferred inflows of resources	<u>684,422</u>

NET POSITION

Net investment in capital assets	100,898
Unrestricted	<u>370,102</u>
Total net position	<u>471,000</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 2,757,448</u></u>

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

WEST BATON ROUGE PARISH ASSESSOR
PORT ALLEN, LOUISIANA

STATEMENT OF ACTIVITIES
DECEMBER 31, 2020

	<u>Expenses</u>	<u>Program Revenues</u> Charges for Services	Net (Expense) Revenue and Changes in Net Position
Governmental Activities			
General government	\$ 894,328	\$ -	\$ (894,328)
General Revenues:			
Interest			17,079
Miscellaneous			1,041
Contributions from non-employer contributing entities			113,089
Total general revenues			<u>131,209</u>
Change in net position			(763,119)
Net position - beginning			<u>1,234,119</u>
Net position - ending			<u>\$ 471,000</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, 2020

ASSETS

Cash and cash equivalents	\$ 1,959,311
Prepaid expenses	20,821
	<hr/>
TOTAL ASSETS	\$ 1,980,132
	<hr/> <hr/>

LIABILITIES

Accounts payable and other liabilities	\$ 6,871
TOTAL LIABILITIES	6,871
	<hr/> <hr/>

FUND BALANCE

Nonspendable	20,821
Unassigned	1,952,440
TOTAL FUND BALANCE	1,973,261
	<hr/> <hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,980,132
	<hr/> <hr/>

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, 2020

Total Fund Balance at December 31, 2020 - Governmental Fund		\$ 1,973,261
Amounts reported for governmental activities in the statement of net position is different because:		
Deferred outflows-pension related		276,656
Deferred outflows-other post-employment benefit related		399,762
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, 2020	\$ 556,704	
Less: Accumulated Depreciation as of December 31, 2020:	<u>(455,806)</u>	100,898
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		(1,476,795)
Net pension liability		(118,360)
Deferred inflows-pension related		(191,968)
Deferred inflows-other post-employment benefit related		<u>(492,454)</u>
Net Position at December 31, 2020		<u>\$ 471,000</u>

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, 2020

REVENUES

Ad valorem taxes	\$ 26,915
Interest	17,079
Miscellaneous	1,041
Total Revenues	<u>45,035</u>

EXPENDITURES

Personnel services and related benefits	590,846
Operating services	53,684
Material and supplies	51,578
Travel and Training	1,445
Capital Outlay	46,566
Total Expenditures	<u>744,119</u>

DEFICIENCY OF REVENUES OVER EXPENDITURES (699,084)

FUND BALANCE AT BEGINNING OF YEAR 2,672,345

FUND BALANCE AT END OF YEAR \$ 1,973,261

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, 2020

Net change in fund balance for the year ended December 31, 2020 \$ (699,084)

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 (26,915)

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	\$ 46,566	
Depreciation expense	<u>(41,790)</u>	4,776

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 113,089

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		(50,813)
Net other post-employment benefits		<u>(104,172)</u>

Total Change in Net Position for year ended December 31, 2020 \$ (763,119)

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, 2020

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 solely 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 an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

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 the 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 an 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 fund.

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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, 2020

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 1st of each year, and become delinquent after December 31st.

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 chargers 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, 2020

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, 2020

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 two items that qualifies for this category; pension related deferrals and other post-employment benefits. 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, 2020

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.

2. CASH AND CASH EQUIVALENTS

At December 31, 2020, the Assessor had a demand deposit cash account (book balances) totaling \$140,989. 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, 2020, the Assessor’s bank balances were not exposed to custodial credit risk.

As of December 31, 2020, the Assessor had \$1,818,322 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.

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

2. CASH AND CASH EQUIVALENTS (continued)

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 an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for 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.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- 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 WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 88 days as of December 31, 2020.

The investments in LAMP are stated at fair value. 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.

3. COMPENSATION

The compensation and expense allowance paid the prior 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 \$131,794 and, in addition, the Assessor is granted ten percent of the annual compensation, or \$13,176, as personal expense allowance provided that the tax receipts of the respective tax recipient bodies shall not be reduced. The compensation and expense allowance paid to the Assessor are included in the expenditures of the General Fund as a component of salaries.

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

4. 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 2020 calendar year was based, was \$513,215,295. The authorized and levied millage for West Baton Rouge Assessor Assessment District for the tax year 2020 was 0 mills. Taxes are due on December 1st and become delinquent by January 1st following the October 1st 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	93,067,240	18.2%
ExxonMobil Corporation	Oil storage	49,230,199	9.6%
Placid Refining Company	Petroleum refinery	20,317,290	8.5%

5. CAPITAL ASSETS

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

	<u>Furniture and Equipment</u>
Cost of Capital Assets, December 31, 2019	\$ 510,138
Additions	46,566
Deletions	-
Cost of Capital Assets, December 31, 2020	<u>556,704</u>
Accumulated depreciation, December 31, 2019	414,016
Additions	41,790
Deletions	-
Accumulated depreciation, December 31, 2020	<u>455,806</u>
Capital assets, net of accumulated Depreciation, at December 31, 2020	<u>\$ 100,898</u>

For the year ended December 31, 2020, depreciation expense was \$41,790.

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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, 2020

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.

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, 2020, for the Assessor and covered employees were as follows:

	<u>Assessor</u>	<u>Employees</u>
Louisiana Assessors' Retirement Fund		
All employees January – December 2020	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:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Louisiana Assessors' Retirement Fund	\$28,491	\$28,233	\$28,233

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, 2020 measurement date. The Assessor uses this measurement to record its Net Pension Liability and associated amount as of December 31, 2020, in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at September 30, 2019 along with the change compared to the September 30, 2020 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.

	<u>Net Pension Liability at September 30, 2020</u>	<u>Rate at September 30, 2020</u>	<u>Increase (Decrease) on September 30, 2020</u>
Louisiana Assessors' Retirement Fund	\$ 118,360	0.7747%	(0.0186%)

The pension's plan recognized a net pension benefit of the Assessor for the year ended September 30, 2020 was \$50,813.

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

6. PENSION AND RETIREMENT PLAN (continued)

At December 31, 2020, 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	\$ 3,787	\$ (94,565)
Changes of assumptions	262,768	-
Net difference between projected and actual earnings on pension plan investments	-	(93,075)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	3,242	(3,880)
Differences between allocated and actual contributions	-	(448)
Employer contributions subsequent to the measurement date	6,859	-
Total	<u>\$ 276,656</u>	<u>\$ (191,968)</u>

The Assessor reported a total of \$6,859 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of September 30, 2020 which will be recognized as a reduction in Net Pension Liability in the year ended December 31, 2020.

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

<u>Year</u>	
2021	\$ 8,562
2022	29,609
2023	28,532
2024	(4,093)
2025	15,219
	<u>\$ 77,829</u>

Actuarial Assumptions

The current year actuarial assumptions utilized for this report are based on the assumptions used in the September 30, 2020 actuarial funding valuation, which (with the exception of mortality) were based on results of an actuarial experience study for the period October 1, 2014 through September 30, 2019 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, 2020 are as follows:

	<u>Louisiana Assessor Retirement Fund</u>
Valuation Date	September 30, 2020
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions: Expected Remaining Service Lives	6 years

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

6. PENSION AND RETIREMENT PLAN (continued)

Actuarial Assumptions (continued)

Louisiana Assessor Retirement Fund

Investment Rate of Return	5.75% net of investment expenses
Inflation Rate	2.10%
Salary Increases	5.25%
Mortality	Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale. Active Member Mortality Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale. Disabled Lives Mortality Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 120% with full generational projection using the appropriate MP-2019 improvement scale.
Cost of Living Adjustments	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, of 2.5%, and an adjustment for the effect of rebalancing/diversification. The resulting long-term expected arithmetic nominal return was 8.37% as of September 30, 2020.

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, 2020:

<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	5.87%

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

6. PENSION AND RETIREMENT PLAN (continued)

Discount Rate

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, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
Rates	4.75%	5.75%	6.75%
West Baton Rouge Parish Assessor Share of NPL	\$ 537,280	\$ 118,360	\$ (237,787)

The Assessor's proportionate shares of non-employer contributions was \$113,089 for the year ended December 30, 2020.

Amounts Payable to Pension Plan

There were no amounts payable to the pension plan as of December 31, 2020.

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description. The West Baton Rouge Parish Assessor (the Assessor) provides certain continuing health care and life insurance benefits for its retired employees. The West Baton Rouge Parish Assessor's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Assessor. The authority to establish and/or amend the obligation of the employer, employees and retirees' rests with the Assessor. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided. The Medical, dental, and life benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by the Louisiana Assessors' Retirement Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: Attainment of age 55 and 12 years of service; or, any age and 30 years of service; employees hired on and after October 1, 2013 are not able to retire or enter DROP until age 60 with 12 years of service; or, age 55 with 30 years of service. The retiree must also have 20 years of service for the retiree to receive employer contributions.

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the previous amount at age 70, and additionally by 50% upon retirement if before age 70.

Employees covered by benefit terms – At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees, spouses or beneficiaries currently receiving benefit payments	4
Active employees	<u>4</u>
	<u>8</u>

Total OPEB Liability

The Assessor's total OPEB liability of \$1,476,795 was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2020.

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

Discount Rate	2.12%
Inflation	2.00%
Salary increases including inflation	3.00%
Healthcare Trend Rate	5.5% annually until 3030, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2020, the end of the applicable measurement period.

The actuarial assumptions in the December 31, 2020 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2020.

Changes in the Total OPEB Liability

Balance as of December 31, 2019	\$1,780,037
Changes for the year:	
Service cost	35,373
Interest	49,258
Differences between expected and actual experience	(544,658)
Changes in assumptions	213,180
Benefit payments and net transfers	<u>(56,395)</u>
Net changes in total OPEB liability	<u>(303,242)</u>
Balance as of December 31, 2020	<u>\$1,476,795</u>

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

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

	<u>1% Decrease</u> <u>1.12%</u>	<u>Discount Rate</u> <u>2.12%</u>	<u>1% Increase</u> <u>3.12%</u>
Total OPEB Liability	\$1,754,034	\$1,476,795	\$1,259,402

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Assessor, as well as what the Assessor's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.5%) or 1 percentage point higher (6.5%) than the current healthcare trend rates:

	<u>1% Decrease</u> <u>(4.5%)</u>	<u>Current Trend</u> <u>(5.5%)</u>	<u>1% Increase</u> <u>(6.5%)</u>
Total OPEB Liability	\$1,293,406	\$1,476,795	\$1,712,602

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

For the year ended December 31, 2020, the Assessor recognized OPEB expense of \$104,172. At December 31, 2020, the Assessor reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ 80,754	\$(466,849)
Change of assumptions	319,008	(25,605)
Total	<u>\$399,762</u>	<u>\$(492,454)</u>

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

Years ending December 31:	
2021	\$ 75,936
2022	20,787
2023	(47,354)
2024	(47,354)
2025	(47,354)
Thereafter	(47,354)

WEST BATON ROUGE PARISH ASSESSOR

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

8. 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 2020, the Assessor's office matched employee's contributions up to 6.0%, dollar for dollar. The total employer contributions made for December 31, 2020 was \$15,932.

9. LITIGATIONS AND CLAIMS

There was no pending or threatened litigation against the West Baton Rouge Parish Assessor as of December 31, 2020. No claims were paid out or litigation costs incurred during the year ended December 31, 2020.

10. 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.

11. 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, 2020, 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. Effective July 1, 2018 the initial term of the exemption contract shall be for 5 years and provide for an ad valorem exemption up to 80 percent with the option to renew for an additional 5-year term that may provide for an ad valorem tax exemption up to 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. The Assessor authorized and levied 0 mills for tax year 2020, therefore, there were \$0 of taxes abated for the fiscal year ended December 31, 2020.

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued, June 25, 2021, 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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
REVENUES				
Ad valorem taxes	\$ 1,155,000	\$ 1,046,000	\$ 26,915	\$ (1,019,085)
Interest	48,000	17,000	17,079	79
Miscellaneous	500	500	1,041	541
Total revenues	<u>1,203,500</u>	<u>1,063,500</u>	<u>45,035</u>	<u>(1,018,465)</u>
EXPENDITURES				
Personal services and related benefits	683,500	589,500	590,846	(1,346)
Operating services	46,500	51,500	53,684	(2,184)
Material and supplies	35,500	45,000	51,578	(6,578)
Travel and other charges	7,000	1,000	1,445	(445)
Capital Outlay	35,000	46,500	46,566	(66)
Total expenditures	<u>807,500</u>	<u>733,500</u>	<u>744,119</u>	<u>(10,619)</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	396,000	330,000	(699,084)	(1,007,846)
FUND BALANCE AT BEGINNING OF YEAR	<u>2,524,600</u>	<u>2,672,500</u>	<u>2,672,345</u>	<u>(155)</u>
FUND BALANCE AT END OF YEAR	<u>\$ 2,920,600</u>	<u>\$ 3,002,500</u>	<u>\$ 1,973,261</u>	<u>\$ (1,008,001)</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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 35,373	\$ 43,036	\$ 55,546
Interest cost at 2.74%	49,258	59,861	40,572
Effect of economic/demographic gains or (losses)	-	-	323,015
Changes in assumptions/input	213,180	272,565	(102,419)
Difference between expected and actual experience	(544,658)	-	-
Benefit payments	(56,395)	(24,622)	(22,606)
Net change in total OPEB liability	<u>(303,242)</u>	<u>350,840</u>	<u>294,108</u>
Total OPEB liability- beginning	<u>1,780,037</u>	<u>1,429,197</u>	<u>1,135,089</u>
Total OPEB liability- ending	<u>\$ 1,476,795</u>	<u>\$ 1,780,037</u>	<u>\$ 1,429,197</u>
Covered employee payroll	\$ 317,337	\$ 352,916	\$ 352,916
Total OPEB liability as a percentage of covered employee payroll	465.37%	504.38%	404.97%

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

Notes to Schedule:

<i>Benefit Changes:</i>	None	None	None
Change of Assumptions:			
Discount Rate:	2.12%	2.74%	4.10%
Mortality:	RP-2014	Pub-2010-2019	Pub-2010-2019
Trend:	Variable	Variable	Variable

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's Proportion of Net Pension Liability (Assets)	0.7747%	0.7933%	0.7947%	0.7779%	0.8026%	0.7675%
Employer's Proportionate Share of the Net Pension Liability (asset)	\$ 118,360	\$ 209,248	\$ 154,491	\$ 136,502	\$ 283,206	\$ 401,649
Employer's Covered-Employee Payroll	\$ 356,139	\$ 352,916	\$ 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	33.2342%	59.2912%	44.1042%	39.9693%	81.0501%	124.5427%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.7884%	94.1244%	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 28,491	\$ 28,233	\$ 28,233	\$ 34,152	\$ 43,117	\$ 43,731
Contributions in relation to contractually required contributions	\$ 28,491	\$ 28,233	\$ 28,233	\$ 34,156	\$ 43,338	\$ 43,731
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (4)	\$ (221)	\$ -
Employer's Covered Employee Payroll	\$ 356,139	\$ 352,916	\$ 352,916	\$ 341,517	\$ 341,518	\$ 323,933
Contributions as a % of Covered Employee Payroll	8.00%	8.00%	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, 2020

CHIEF EXECUTIVE OFFICER: Barney M. Altazan, Assessor, retired as of December 31, 2020

	Totals
Salary	\$ 131,796
Expense Allowance	13,176
Benefits-Retirement	23,195
Benefits Deferred Comp	6,500
Benefits-Insurance	25,176
Vehicle	2,282
Cellphone	1,704
Membership Dues	220
	<hr/> <hr/>
	\$ 204,049



**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 Christopher Guerin
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, 2020, 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 25, 2021.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2020-001.

West Baton Rouge Parish Assessor's Response to Finding

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

Purpose of this Report

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



Gonzales, Louisiana
June 25, 2021

WEST BATON ROUGE PARISH ASSESSOR
PORT ALLEN, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2020

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. One instance 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*, was disclosed during the audit.

FINDINGS - FINANCIAL STATEMENT AUDIT

None

NON-COMPLIANCE WITH STATE LAWS AND REGULATIONS

2020-001 Budget Law

Criteria: R.S. 38:2234 provides that the governing authority to amend the budget when total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.

Condition: Actual revenues in the General Fund had an unfavorable variance of 95.8% to the final budgeted amounts.

Effect: The Assessor is non-compliant with the Louisiana budget law.

Cause: The budget was not amended when actual revenues failed to meet budgeted revenues by more than 5%.

Recommendation: The Assessor should monitor budgets on a continual basis and amend the budgets appropriately in accordance with the statute.

Management's corrective action plan: Management agrees with finding. The Assessor authorized and levied 0 mills for the Assessment District for the 2020 Tax Year and reported the \$0 of ad valorem tax income in the FYE 2021 budget year rather than in the current fiscal year's amended budget. This was an inadvertent oversight and Management intends to amend next year's budget as well as continue to monitor actual revenues and expenditures throughout the year to ensure budget compliance in future fiscal years.

WEST BATON ROUGE PARISH ASSESSOR
PORT ALLEN, LOUISIANA

SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2020

FINDINGS - FINANCIAL STATEMENT AUDIT

None

NON-COMPLIANCE WITH STATE LAWS AND REGULATIONS

None