
WEST BATON ROUGE PARISH ASSESSOR

PORT ALLEN, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

WEST BATON ROUGE PARISH ASSESSOR

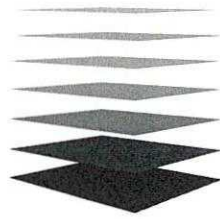
PORT ALLEN, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

<u>INDEPENDENT AUDITORS' REPORT</u>	<u>Page</u>
Independent Auditors' Report	1-2
<u>REQUIRED SUPPLEMENTARY INFORMATION - PART I</u>	
Management's Discussion and Analysis	3-8
<u>BASIC FINANCIAL STATEMENTS - PART II</u>	
Statement of Net Position	9
Statement of Activities	10
Balance Sheet - Governmental Fund	11
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	13
Reconciliation of Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	14
Notes to Financial Statement	15-31
<u>REQUIRED SUPPLEMENTARY INFORMATION - PART III</u>	
Budgetary Comparison Schedule - General Fund	32
Schedule of Funding Progress for Other Post-Employment Benefit Plan	33
Schedule of Proportionate Share of the Net Pension Liability	34
Schedule of Plan Contributions	35
<u>SUPPLEMENTAL INFORMATION</u>	
Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer	36
<u>OTHER REPORTS REQUIRED BY <i>GOVERNMENTAL AUDITING STANDARDS</i></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 <i>Government Auditing Standards</i>	37-38
<u>OTHER REPORTS</u>	
Schedule of Findings and Responses	39
Schedule of Prior Audit Findings	40



DDR
DIEZ, DUPUY & RUIZ, LLC

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, 2017, 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 judgment, 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, 2017, 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 funding progress for other post-employment benefit plan, the schedule of employer contributions, 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensations, 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 1, 2018, 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 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 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.

Deer, Dupuy & Rain

June 1, 2018
Gonzales, Louisiana

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017

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, 2017. 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 \$304,375 over the course of the year's operations.
- The Assessor's expenses were \$304,375 less than the \$1,104,931 generated by taxes and other revenues.
- Revenues increased by 4.0 percent to \$1,104,931 while expenses for the year increased by 14.5 percent or \$101,109.
- The general fund reported a fund balance of \$1,777,384, an increase from December 31, 2016 of 20.6 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three parts –management's discussion and analysis (this section), the financial statements, and required 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, 2017

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 balances
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, 2017

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 at the bottom of the governmental funds statement, or 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, 2017

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. Fines and fees charged to 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	
	<u>12/31/2017</u>	<u>12/31/2016</u>
Current and other assets	\$ 1,825,064	\$ 1,508,133
Capital assets	91,586	75,618
Total assets	1,916,650	1,583,751
Deferred outflows of resources	114,206	158,553
Total assets and deferred outflows of resources	2,030,856	1,742,304
Current liabilities	10,193	8,340
Long-term liabilities	980,879	1,069,821
Total liabilities	991,072	1,078,161
Deferred inflows of resources	107,926	36,660
Total liabilities and deferred inflows of resources	1,098,998	1,114,821
Net position		
Net investment in capital assets	91,586	75,618
Unrestricted	840,272	551,865
Total net position	\$ 931,858	\$ 627,483

Net position of the Assessor's governmental activities increased 48.5 percent or \$304,375 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 \$551,865 at December 31, 2016, to \$840,272 at the end of the current fiscal year end.

Changes in net position. The Assessor's total revenues increased 4.0 percent to \$1,104,931. (See Table A-2). Approximately 99 percent of the Assessor's revenue comes from ad valorem taxes.

The total cost of all expenses increased approximately \$101,000 or 14.5 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, 2017

Governmental Activities

Revenues and expenses for the Assessor's governmental activities increased 4.0 and 14.5 percent, respectively, for the current fiscal year. The revenue generated for 2017 and 2016 covered the total cost of operations, as depicted in table A-2.

Table A-2
Changes in Assessor's Net Position

	Governmental Activities	
	12/31/2017	12/31/2016
Revenues:		
General revenues:		
Ad valorem taxes	\$ 991,083	\$ 962,169
Interest	10,383	3,310
Miscellaneous	526	-
Contributions from non-employer contributing entity	102,939	96,672
Total revenues	1,104,931	1,062,151
Function/Program expense:		
General government	800,556	699,447
Total expenses	800,556	699,447
Increase (decrease) in net position	\$ 304,375	\$ 362,704

- The cost of all governmental activities for the year increased approximately 14.5 percent to \$800,556 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 \$1,777,384, an increase from last year of \$311,194 or 20.6 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 to decrease operating services, material and supplies and travel and other charges.

WEST BATON ROUGE PARISH ASSESSOR
Port Allen, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

CAPITAL ASSETS

Capital Assets

At December 31, 2017, the Assessor had invested \$91,586 in capital assets. (See Table A-3)

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

	Governmental Activities	
	12/31/2017	12/31/2016
Equipment	\$ 448,566	\$ 479,481
Accumulated Depreciation	(356,980)	(403,863)
Net Capital Assets	\$ 91,586	\$ 75,618

- Major additions of capital assets during the current fiscal year consisted mainly of a new vehicle and 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 revenues. The Assessor expects its revenues from ad valorem taxes for the 2018 fiscal year to be consistent with the 2017 fiscal year. The overall budgeted expenditures are expected to decrease in the 2018 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 8th St., Courthouse Bldg., Room 11, Port Allen, LA 70767.

WEST BATON ROUGE PARISH ASSESSOR
PORT ALLEN, LOUISIANA

STATEMENT OF NET POSITION
DECEMBER 31, 2017

ASSETS

Cash and cash equivalents	\$ 972,623
Intergovernmental receivables	841,357
Prepaid expenses	11,084
Capital assets, net of accumulated depreciation	<u>91,586</u>
 Total assets	 <u>1,916,650</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related	<u>114,206</u>
Total deferred outflows of resources	<u>114,206</u>
 Total assets and deferred outflows of resources	 <u>\$ 2,030,856</u>

LIABILITIES

Accounts payable	\$ 215
Other liabilities	9,978
Long-term liabilities:	
Other post-employment benefits	844,377
Net pension liability	<u>136,502</u>
 Total liabilities	 <u>991,072</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	<u>107,926</u>
Total deferred inflows of resources	<u>107,926</u>

NET POSITION

Net investment in capital assets	91,586
Unrestricted	<u>840,272</u>
Total net position	<u>931,858</u>
 Total liabilities, deferred inflows of resources and net position	 <u>\$ 2,030,856</u>

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH ASSESSOR
PORT ALLEN, LOUISIANA

STATEMENT OF ACTIVITIES
DECEMBER 31, 2017

	<u>Expenses</u>	<u>Program Revenues</u> Charges for Services	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities			
General government	\$ 800,556	\$ -	\$ (800,556)
General Revenues:			
Taxes			991,083
Interest			10,383
Miscellaneous			526
Contributions from non-employer contributing entities			102,939
Total general revenues			<u>1,104,931</u>
Change in net position			304,375
Net position - beginning			<u>627,483</u>
Net position - ending			<u>\$ 931,858</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, 2017

ASSETS

Cash and cash equivalents	\$ 972,623
Intergovernmental receivables	841,357
Prepaid expenses	<u>11,084</u>
 TOTAL ASSETS	 <u>\$ 1,825,064</u>

LIABILITIES

Accounts payable	\$ 215
Other liabilities	<u>9,978</u>
TOTAL LIABILITIES	<u>10,193</u>

DEFERRED INFLOWS OF RESOURCES

Deferred property tax	<u>37,487</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>37,487</u>

FUND BALANCE

Nonspendable	11,084
Unassigned	<u>1,766,300</u>
TOTAL FUND BALANCE	<u>1,777,384</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u>\$ 1,825,064</u>
--	-------------------------

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, 2017

Total Fund Balances at December 31, 2017 - Governmental Funds		\$ 1,777,384
Amounts reported for governmental activities in the statement of net position is different because:		
Deferred outflows-pension related		114,206
Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds.		
Cost of capital assets at December 31, 2017	\$ 448,566	
Less: Accumulated Depreciation as of December 31, 2017:	<u>(356,980)</u>	91,586
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		37,487
Long-term liabilities that are not due and payable in current period and, therefore, are not reported in the governmental funds.		
Other Post-Employment Benefits		(844,377)
Net pension liability		(136,502)
Deferred inflows-pension related		<u>(107,926)</u>
Net Position at December 31, 2017		<u>\$ 931,858</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, 2017

	General Fund
<u>REVENUES</u>	
Ad valorem taxes	\$ 978,991
Interest	10,383
Miscellaneous	526
Total Revenues	<u>989,900</u>
<u>EXPENDITURES</u>	
Personnel services and related benefits	557,895
Operating services	43,752
Material and supplies	27,976
Travel and Training	4,897
Capital Outlay:	52,394
Total Expenditures	<u>686,914</u>
EXCESS OF REVENUES OVER EXPENDITURES	302,986
FUND BALANCE AT BEGINNING OF YEAR	<u>1,474,398</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,777,384</u>

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, 2017

Net change in fund balance for the year ended December 31, 2017 \$ 302,986

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 12,092

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	\$	52,394	
Depreciation expense		(35,133)	
Difference in cost and accumulated depreciation of disposed assets		(1,293)	15,968

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

Net effect of change in net position liability and deferrals	(71,848)
Contributions from non-employer contributing entities	102,939

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 other post-employment benefits	(57,762)
------------------------------------	----------

Total Change in Net Position for year ended December 31, 2017	\$ 304,375
---	------------

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, 2017

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, 2017

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, 2017

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 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, 2017

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, 2017

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 one item that qualifies for this category; pension related deferrals, 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 only one item that qualifies for this category; pension related deferrals. 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. 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.

M. NET POSITION 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 are 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, 2017

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 EQUIVILANTS

At December 31, 2017, the Assessor had a demand deposit cash account (book balances) totaling \$49,402. 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, 2017, the Assessor’s bank balances were not exposed to custodial credit risk.

As of December 31, 2017, the Assessor had \$922,971 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, 2017

2. CASH AND CASH EQUIVILANTS (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 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.

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 2017 calendar year was based, was \$401,558,991. The authorized and levied millage for West Baton Rouge Assessor Assessment District for the tax year 2017 was 2.47 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	64,789,790	14.5%
ExxonMobil Corporation	Oil storage	29,750,010	6.6%
Placid Refining Company	Petroleum refinery	13,151,710	2.9%

WEST BATON ROUGE PARISH ASSESSOR
Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

4. RECEIVABLES

The Assessor has receivables of \$841,357 at December 31, 2017. These receivables consist of ad valorem taxes.

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2017, are as follows:

	<u>Furniture and Equipment</u>
Cost of Capital Assets, December 31, 2016	\$ 479,481
Additions	52,394
Deletions	<u>(83,309)</u>
Cost of Capital Assets, December 31, 2017	<u>448,566</u>
Accumulated depreciation, as restated	
December 31, 2016	403,863
Additions	35,133
Deletions	<u>(82,016)</u>
Accumulated depreciation, December 31, 2017	<u>356,980</u>
Capital assets, net of accumulated Depreciation, at December 31, 2017	<u>\$ 91,586</u>

For the year ended December 31, 2017, depreciation expense was \$35,133.

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:

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

7. PENSION AND RETIREMENT PLAN (continued)

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.

Funding Policy

Under the plan, members are required by state statute to contribute 8 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 contribution rate is changed from 10. percent to 8.0 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. 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, insurance premium 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, 2017.

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

7. PENSION AND RETIREMENT PLAN (continued)

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, 2017, for the Assessor and covered employees were as follows:

	<u>Assessor</u>	<u>Employees</u>
Louisiana Assessors' Retirement Fund		
All employees January – September 2017	10.00%	8.00%
All employees October – December 2017	8.00%	8.00%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Louisiana Assessors' Retirement Fund	\$34,152	\$43,338	\$43,731

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, 2017 measurement date. The Assessor uses this measurement to record its Net Pension Liability and associated amount as of December 31, 2017, in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at September 30, 2017 along with the change compared to the September 30, 2017 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, 2017</u>	<u>Rate at September 30, 2017</u>	<u>Increase (Decrease) on September 30, 2017</u>
Louisiana Assessors' Retirement Fund	\$ 136,502	0.7779%	(0.0247%)

The pension's plan recognized a net pension benefit of the Assessor for the year ended September 30, 2017 was \$31,091.

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

7. PENSION AND RETIREMENT PLAN (continued)

At December 31, 2017, the Assessor reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,214	\$ (42,857)
Changes of assumptions	85,371	-
Net difference between projected and actual earnings on pension plan investments	-	(52,821)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	7,293	(12,248)
Employer contributions subsequent to the measurement date	6,325	-
Total	<u>\$ 114,206</u>	<u>\$ (107,926)</u>

The Assessor reported a total of \$6,325 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of September 30, 2017 which will be recognized as a reduction in Net Pension Liability in the year ended December 31, 2017

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>	
2018	\$ 13,888
2019	20,725
2020	(24,402)
2021	(14,232)
2022	6,677
	<u>\$ 2,656</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plans as of September 30, 2017 are as follows:

	<u>Louisiana Assessor Retirement Fund</u>
Valuation Date	September 30, 2017
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Expected Remaining Service Lives	6 years
Investment Rate of Return	6.75% net of investment expenses
Inflation Rate	2.50%
Salary Increases	5.750%

WEST BATON ROUGE PARISH ASSESSOR
Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

7. PENSION AND RETIREMENT PLAN (continued)

Actuarial Assumptions (continued)

	<u>Louisiana Assessor Retirement Fund</u>
Mortality	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.
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 and an adjustment for the effect of rebalancing/diversification. The long-term expected rate of return selected for this report by the Fund is 6.75% for the year September 30, 2017.

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, 2017:

<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%

Discount Rate

The long-term expected rate of return selected for this report by the Fund was 6.75%. 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

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

7. PENSION AND RETIREMENT PLAN (continued)

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 6.75%.

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:

Rates	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
West Baton Rouge Parish Assessor Share of NPL	\$ 462,880	\$ 136,502	\$ (143,892)

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Contribution rates. 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.

Fund Policy. Until 2009, the Assessor recognized the cost of providing post-employment medical and dental benefits (the Assessor's portion of the retiree medical and dental benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In Fiscal Year Ending December 31, 2017, the West Baton Rouge Parish Assessor's portion of health care funding cost for retired employees totaled \$20,317. This amount is applied toward the Net OPEB Benefit Obligations as shown in the following table.

Annual Required Contribution. West Baton Rouge Parish Assessor's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the normal cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning January 1, 2017 is \$98,206, as set forth below:

Normal Cost	\$ 37,168
30-year UAL amortization amount	<u>61,038</u>
Annual required contribution (ARC)	<u>\$ 98,206</u>

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

Net Post-Employment Benefit Obligation (Asset). The table below shows West Baton Rouge Parish Assessor's net other post-employment benefit (OPEB) obligation (asset) for fiscal year ending December 31, 2017:

Net OPEB Obligation – beginning of year	\$ 786,615
Annual required contribution	98,206
Interest on net OPEB Obligation	31,465
Less: Adjustment to ARC	<u>(51,592)</u>
Annual OPEB cost (expense)	78,079
Contributions made	-
Less: Current year retiree premium	<u>(20,317)</u>
Increase in net OPEB obligation	57,762
Net OPEB obligation – end of year	<u>\$ 844,377</u>

The following table shows the Assessor's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability (asset):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
12/31/2017	\$ 78,079	26.02%	\$844,377
12/31/2016	\$ 77,797	25.21%	\$786,615
12/31/2015	\$ 81,160	23.32%	\$728,432

Funded Status and Funding Progress. In the fiscal year ending December 31, 2017, the Assessor made no contributions to its post-employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As December 31, 2017, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$930,639.

Actuarial Valuation Date:	<u>January 1, 2017</u>
Actuarial Value of Plan Assets (a)	\$ -
Actuarial Accrued Liability (AAL) (b)	<u>930,639</u>
Unfunded AAL (UAAL) (b-a)	<u>\$ 930,639</u>
Funded Ratio (a/b)	<u>0%</u>
Covered payroll	<u>\$ 370,822</u>
UAAL as a percentage of covered payroll	<u>251.0%</u>

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for the post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Assessor's Office and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Assessor and its plan members to the point.

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

The projection benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Assessor and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets. Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations, should the OPEB obligations be funded, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long-term return of a balanced and conservative investment portfolio under professional management.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on an understanding of the plan and Milliman's Health Cost Guidelines. Rates for 2015 from this report were used, with rates beyond 2015 graduated down to an ultimate annual rate of 4.4% for 2099 and later.

Mortality Rate. Life expectations were based on the RP 2000 Combined Healthy Mortality Table projected to 2017 using Scale AA.

Turnover Rate. Termination rates for withdrawal other than death and retirement were developed from employment and retirement rates. The annual termination probability is dependent on an employee's years of service and assumes Assessor employees are part of "Plan A".

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

Marriage Assumption. For active participants, it is assumed that husbands are three years older than their wives. 20 percent of active participants making it to retirement are assumed to be married and elect spouse coverage.

9. 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.

WEST BATON ROUGE PARISH ASSESSOR
Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

10. DEFERRED COMPENSATION PLAN

The 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 2017, the Assessor's office matched employee's contributions up to 6.0%, dollar for dollar. The total employer contributions made for December 31, 2017 were \$15,573.

11. LITIGATIONS AND CLAIMS

There was no pending or threatened litigation against the West Baton Rouge Parish Assessor as of December 31, 2017. No claims were paid out or litigation costs incurred during the year ended December 31, 2017.

12. 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.

13. 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.

14. 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, 2016, 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.

WEST BATON ROUGE PARISH ASSESSOR

Port Allen, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

14. TAX ABATEMENTS (continued)

Taxes abated for the fiscal year ended December 31, 2017 were as follows:

	<u>Total</u>
Tax Abatement Program	
Industrial Tax Exemption Program	<u>\$ 410,094</u>
	<u>\$ 410,094</u>

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued, June 1 2018, 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, 2017

	Original Budget	Final Budget	Actual	Variance - positive (negative)
REVENUES				
Ad valorem taxes	\$ 970,000	\$ 941,500	\$ 978,991	\$ 37,491
Interest	4,000	10,000	10,383	383
Miscellaneous	500	750	526	(224)
Total revenues	974,500	952,250	989,900	37,650
EXPENDITURES				
Personal services and related benefits	537,000	549,000	557,895	(8,895)
Operating services	32,500	29,500	43,752	(14,252)
Material and supplies	25,000	27,250	27,976	(726)
Travel and other charges	8,500	5,000	4,897	103
Capital Outlay	50,000	66,500	52,394	14,106
Total expenditures	653,000	677,250	686,914	(9,664)
EXCESS OF REVENUES OVER EXPENDITURES	321,500	275,000	302,986	47,314
FUND BALANCE AT BEGINNING OF YEAR	1,474,500	1,474,500	1,474,398	(102)
FUND BALANCE AT END OF YEAR	\$ 1,796,000	\$ 1,749,500	\$ 1,777,384	\$ 47,212

WEST BATON ROUGE PARISH ASSESSOR
PORT ALLEN, LOUISIANA

SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFIT PLAN
December 31, 2017

Actuial Valutaion Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	c Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
12/31/2015	-	930,639	930,639	0.0%	359,023	259.2%
12/31/2016	-	930,639	930,639	0.0%	377,202	246.7%
12/31/2017	-	930,639	930,639	0.0%	370,822	251.0%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	(a) Annual OPEB Cost	(b) Annual Contributed	(b/a) Percentage of Annual OPEB Costs Contributed	(a-b) Increase (Decrease) to Net OPEB Obligation	(PY+(a-b)) Net OPEB Obligation
12/31/2015	\$ 81,160	\$ 18,926	23.32%	\$ 62,234	\$ 728,432
12/31/2016	\$ 77,797	\$ 19,614	25.21%	\$ 58,183	\$ 786,615
12/31/2017	\$ 78,079	\$ 20,317	26.02%	\$ 57,762	\$ 844,377

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):	2017
Employer's Proportion of Net Pension Liability (Assets)	0.7779%
Employer's Proportionate Share of the Net Pension Liability (asset)	\$ 136,502
Employer's Covered-Employee Payroll	\$ 341,517
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	39.9693%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.6104%
As of the fiscal year ended (2):	2016
Employer's Proportion of Net Pension Liability (Assets)	0.8026%
Employer's Proportionate Share of the Net Pension Liability (asset)	\$ 283,206
Employer's Covered-Employee Payroll	\$ 349,421
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	81.0501%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.6777%
As of the fiscal year ended (2):	2015
Employer's Proportion of Net Pension Liability (Assets)	0.7675%
Employer's Proportionate Share of the Net Pension Liability (asset)	\$ 401,649
Employer's Covered-Employee Payroll	\$ 322,499
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	124.5427%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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>2017</u>
Contractually required contribution	\$ 34,152
Contributions in relation to contractually required contributions	\$ 34,156
Contribution deficiency (excess)	\$ (4)
Employer's Covered Employee Payroll	\$ 341,517
Contributions as a % of Covered Employee Payroll	10.00%
	<u>2016</u>
Contractually required contribution	\$ 43,117
Contributions in relation to contractually required contributions	\$ 43,338
Contribution deficiency (excess)	\$ (221)
Employer's Covered Employee Payroll	\$ 341,518
Contributions as a % of Covered Employee Payroll	12.63%
	<u>2015</u>
Contractually required contribution	\$ 43,731
Contributions in relation to contractually required contributions	\$ 43,731
Contribution deficiency (excess)	\$ -
Employer's Covered Employee Payroll	\$ 323,933
Contributions as a % of Covered Employee Payroll	13.50%

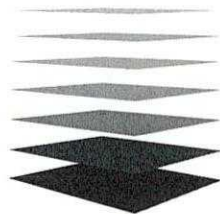
(1) Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

WEST BATON ROUGE PARISH ASSESSOR
PORT ALLEN, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS
AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER
YEAR ENDED DECEMBER 31, 2017

CHIEF EXECUTIVE OFFICER: Barney M. Altazan, Assessor

	Totals
Salary	\$ 131,796
Expense Allowance	13,180
Benefits-Retirement	25,421
Benefits Deferred Comp	6,500
Benefits-Insurance	21,283
Vehicle provided by WBRPAO	2,475
Cellphone provided by WBRPAO	1,524
Membership Dues	190
Conference Registration Fees	595
Travel & Meals	3,479
	<u>\$ 206,443</u>



DDR

DIEZ, DUPUY & RUIZ, LLC

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 the year ended December 31, 2017, 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 1, 2018.

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. 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 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 of 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.



Gonzales, Louisiana

June 1, 2018

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

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2017

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of West Baton Rouge Parish Assessor.
2. No significant deficiencies are reported in the 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 were disclosed during the audit.

FINDINGS - FINANCIAL STATEMENT FINDINGS

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, 2017

FINDINGS - FINANCIAL STATEMENT AUDIT

None

NON-COMPLIANCE WITH STATE LAWS AND REGULATIONS

None



**INDEPENDENT ACCOUNTANT'S 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 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, 2017 through December 31, 2017. 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

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- 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**, including receiving, recording, and preparing deposits.
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, and (5) monitoring card usage.
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. Note: Ethics requirements are not applicable to nonprofits.
Written policies and procedures were obtained and address the functions noted above.
- j) **Debt Service**, including (1) debt issuance approval, (2) 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, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, 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) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
The Assessor does not have a board or finance committee. Therefore; no minutes of meetings required to be maintained by the Assessor.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Not applicable.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

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

Bank Reconciliations

- 3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Obtained listing of client bank accounts from management and management's representation that listing is complete.

- 4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Obtained bank statements and reconciliations for all months in the fiscal period for all selected accounts noting that reconciliations have been prepared for all months.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

The bank reconciliations prepared for all accounts include evidence that the Assessor, Barney Altazan, has reviewed each bank reconciliation.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Not applicable.

Collections

- 5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

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

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Collections are performed by one employee at the Assessor's Office. The one employee responsible for collecting cash is bonded, responsible for depositing the cash in the bank, recording the related transaction, and reconciling the related bank account. The employee does not share the cash drawer at the Assessor's office.

Management's response: Due to the limited number of resources available, the Assessor is unable to adequately segregate these duties.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

The entity does not have a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source, by a person who is not responsible for cash collections in the cash collection location selected.

Management's response: Due to the limited number of resources available, the Assessor is unable to adequately segregate these duties.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

No exceptions noted.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

No exceptions noted.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

The entity does not have a formal process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source by a person who is not responsible for collections.

Management's response: Due to the limited number of resources available, the Assessor is unable to adequately segregate these duties.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Obtained listing of disbursements and management's representation that listing is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions, matched the associated payments, and checks were signed by an authorized signor.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions, matched the associated payments, and checks were signed by an authorized signor.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions, matched the associated payments, and checks were signed by an authorized signor.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system.

Management's response: Due to the limited number of resources available, the Assessor is unable to adequately segregate these duties.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The Assessor has signatory authority and makes the final authorization for disbursements. The Assessor also has responsibility to initiate purchases.

Management's response: Due to the limited number of resources available, the Assessor is unable to adequately segregate these duties.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

No exceptions noted.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

No signature stamp or signature machine is utilized.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

Obtained listing of credit cards/debit cards/fuel cards and management's representation that listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

One credit card was selected.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

No exceptions noted.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

No exceptions noted.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

No exceptions noted.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

No exceptions noted.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Not applicable.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exceptions noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Obtained listing of travel and related expense reimbursements and management's representation that listing is complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Policies were obtained. No exceptions noted.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

No exceptions noted.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

No exceptions noted.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

No exceptions noted.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

No exceptions noted.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Obtained listing of contracts in effect and management's representation that listing was complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

No exceptions noted.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

Not applicable.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Each contract selected was not subject to the Louisiana Public Bid Law or Procurement Code and quotes were not solicited by the Assessor.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

The contracts selected were not amended during the current fiscal period.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

No exceptions noted.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Not applicable.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Obtained listing of employees with their related salaries and management's representation that listing was complete.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

No changes to hourly pay rates/salaries noted during the fiscal period.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether 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.)

Selected employees were salaried and not required to document attendance. Leave for selected employees were documented.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Documentation was not maintained to support that attendance and leave was approved for the selected employees/officials.

Management's response: Management intends to review leave policies and procedures with employees to ensure that leave is properly approved and maintained.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exceptions noted.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

There were no employees or officials terminated during the fiscal period.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms were submitted to the applicable agencies by the required deadlines for the fiscal period.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

The Assessor maintained documentation demonstrating that required ethics training was completed for the selected employees/officials.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Management asserted that they have received no allegations during the fiscal period.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

No debt was issued during the fiscal period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

The Assessor did not have outstanding debt during the current fiscal period.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation 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.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

The Assessor has posted on its premises and website the notice required by R.S. 24:523.1.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

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.

Dier, Dupuy & Ruiz

Gonzales, Louisiana
June 1, 2018