

# **ST. JOHN THE BAPTIST PARISH ASSESSOR**

## *Annual Financial Report*

As of and for the Year Ended

December 31, 2011

**KEITH J. ROVIRA**  
*Certified Public Accountant*

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana

Basic Financial Statements  
and Independent Auditor's Report  
As of and for the Year Ended  
December 31, 2011

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Whitney Joseph, Jr.  
St. John the Baptist Parish Assessor  
Edgard, Louisiana

I have audited the accompanying financial statements of the St. John the Baptist Parish Assessor as of and for the year ended December 31, 2011, which collectively comprise the assessor's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the St. John the Baptist Parish Assessor. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the St. John the Baptist Parish Assessor as of December 31, 2011, and the results of operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in paragraph A.11 of the Notes to the Financial Statements of this audit report, the assessor adopted the provisions of Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions in 2011.

In accordance with Government Auditing Standards, I have also issued my report dated June 7, 2012, on my consideration of the St. John the Baptist Parish Assessor's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and other matters. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Management's Discussion and Analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information, and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the assessor's basic financial statements. The supplementary information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the St. John the Baptist Parish Assessor. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as whole.



Keith J. Rovira  
Certified Public Accountant

June 7, 2012

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Management's Discussion and Analysis  
As of and for the Year Ended December 31, 2011

Management's Discussion and Analysis (MD&A) of the St. John the Baptist Parish Assessor's financial performance presents a narrative overview and analysis of the assessor's financial activities for the year ended December 31, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the basic financial statements. The MD&A is an element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" issued June, 1999. Certain comparative information between the current year and prior year has been presented in the MD&A.

#### FINANCIAL HIGHLIGHTS

The minimum requirements for financial reporting on the St. John the Baptist Parish Assessor's office that was established by GASB No. 34 are divided into the following sections:

- (a) Management's Discussion and Analysis
- (b) Basic Financial Statements
- (c) Required Supplementary Information (other than MD&A)

#### Basic Financial Statements:

The basic financial statements present information for the assessor as a whole, in a format designed to make the statements easier for the reader to understand. The financial statements in this section are divided into the two following types:

(1) Government-Wide Financial Statements, which include a Statement of Net Assets and a Statement of Activities. These statements present financial information for all activities of the assessor from an economic resources measurement focus using the accrual basis of accounting and providing both short-term and long-term information about the assessor's overall financial status.

(2) Fund Financial Statements, which include a Balance Sheet and a

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Management's Discussion and Analysis (Continued)  
 As of and for the Year Ended December 31, 2011

Statement of Revenues, Expenses, and Changes in Fund Balance for the General Fund (a governmental fund). These financial statements present information on the individual fund of the assessor allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements is dependent on the fund type. The assessor's only governmental fund is the General Fund. The statements in this section represent the short-term financing of general government.

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets  
 As of December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Current assets	\$2,901,178	\$2,515,209
Capital assets	<u>20,815</u>	<u>24,140</u>
Total Assets	<u>2,921,993</u>	<u>2,539,349</u>
Long-term liabilities (Note F)	<u>164,652</u>	<u>114,863</u>
Total Liabilities	<u>164,652</u>	<u>114,863</u>
Net Assets:		
Invested in capital assets, net of related debt	20,815	24,140
Unrestricted	<u>2,736,526</u>	<u>2,400,346</u>
Total Net Assets	<u>\$2,757,341</u>	<u>\$2,424,486</u>

The assessor does not have any "restricted" net assets. It does have "unrestricted" net assets, and those are net assets that do not have any limitations on what these amounts may be used for.

Net assets of the assessor's office increased by \$332,855, or 14%, from the previous year due to a consistent income stream from ad valorem taxes and proper controls of expenditures.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Management's Discussion and Analysis (Continued)  
 As of and for the Year Ended December 31, 2011

Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 For the years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenues	\$1,190,882	\$1,126,969
Expenditures	<u>(804,913)</u>	<u>(784,822)</u>
Net Change in Fund Balance	<u>\$385,969</u>	<u>\$342,147</u>

The assessor's total revenues increased by \$63,913, or 6%, which was principally due to a minor increase in ad valorem tax revenue. Total expenditures increased by \$20,091, or 3%, which was mainly due to a small increases in salaries and salary related benefits.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At December 31, 2011, the assessor had \$20,815 invested in capital assets, including office furniture and equipment. This amount represents the total original cost of the capital assets less accumulated depreciation on those assets. The table below lists the type of capital assets, net of accumulated depreciation:

	<u>2011</u>	<u>2010</u>
Office furniture and equipment, net of accumulated depreciation	<u>\$20,815</u>	<u>\$24,140</u>
Total	<u>\$20,815</u>	<u>\$24,140</u>

Debt Administration

The assessor had no debt outstanding at year end.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Management's Discussion and Analysis (Continued)  
As of and for the Year Ended December 31, 2011

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (2012)**

The assessor considered the following factors and indicators when setting up next year's (2012) budget. These factors and indicators include: (1) revenues to be received from the collection of ad valorem taxes and state revenue sharing should be relatively constant; (2) salaries and related costs could increase due to an increase in health care and other salary related benefits and costs; (3) increases in other operating costs of the office in the process of providing services to the public. The assessor expects that next year's revenues plus existing available resources carried forward from the previous year will be sufficient to cover the office's annual expenses.

**CONTACTING THE ASSESSOR**

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the assessor's finances, and to show the assessor's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Mr. Whitney Joseph, Jr., St. John the Baptist Parish Assessor, 1801 West Airline Hwy., Room 103, LaPlace, Louisiana 70068, or call 985-652-5311.

**BASIC FINANCIAL STATEMENTS**  
**(GOVERNMENT-WIDE FINANCIAL STATEMENTS)**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Statement of Net Assets  
 As of December 31, 2011

**ASSETS**Current Assets

Cash and cash equivalents (Note C)	\$1,757,279
Revenues receivable:	
Ad valorem taxes	1,108,023
State revenue sharing	<u>35,876</u>
Total Current Assets	<u>2,901,178</u>

Noncurrent Assets

Capital assets, net of depreciation (Note D)	<u>20,815</u>
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Total Noncurrent Assets	<u>20,815</u>
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TOTAL ASSETS	<u>2,921,993</u>
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**LIABILITIES**Current Liabilities

Total Current Liabilities	<u>-</u>
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Long-Term Liabilities (Note F)

Net other postemployment benefit obligation (OPEB)	<u>164,652</u>
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Total Long-Term Liabilities	<u>164,652</u>
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TOTAL LIABILITIES	<u>164,652</u>
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**NET ASSETS**

Invested in capital assets, net of related debt	20,815
Unrestricted	<u>2,736,526</u>

TOTAL NET ASSETS	<u>\$2,757,341</u>
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The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Statement of Activities  
 For the Year Ended December 31, 2011

**EXPENSES**

Governmental Activities:	
Salaries and related benefits	\$ 742,007
Office supplies and expenses	61,210
Travel and automotive	33,772
Professional and legal fees	16,032
Depreciation expense	<u>5,006</u>
 Total Expenses	 <u>858,027</u>

**GENERAL REVENUES**

Ad valorem taxes	1,121,879
State revenue sharing	53,809
Interest earnings	14,567
Other	<u>627</u>
 Total General Revenues	 <u>1,190,882</u>

Change in Net Assets	332,855
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Net assets at beginning of year	<u>2,424,486</u>
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Net assets at end of year	<u><u>\$2,757,341</u></u>
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The accompanying notes are an integral part of this statement.

**BASIC FINANCIAL STATEMENTS**  
**(FUND FINANCIAL STATEMENTS)**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Balance Sheet  
 General Fund - Governmental Fund  
 December 31, 2011

<b>ASSETS</b>	
Cash and cash equivalents (Note C)	\$1,757,279
Revenues receivable:	
Ad valorem taxes	1,108,023
State revenue sharing	<u>35,876</u>
<b>TOTAL ASSETS</b>	<b><u>\$2,901,178</u></b>
 <b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Total Liabilities	<u>-</u>
Fund balance:	
Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	<u>\$2,901,178</u>
Total Fund Balance	<u>2,901,178</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b><u>\$2,901,178</u></b>

The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Reconciliation of the Governmental Fund Balance Sheet  
 to the Statement of Net Assets  
 December 31, 2011

Total Fund Balance - Governmental Fund	\$2,901,178
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.	20,815
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Net other postemployment benefit obligation (OPEB)	<u>(164,652)</u>
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Total Net Assets of Governmental Activities	<u>\$2,757,341</u>
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The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 General Fund - Governmental Fund  
 For the Year Ended December 31, 2011

REVENUES

Ad valorem taxes	\$1,121,879
State revenue sharing	53,809
Interest earnings	14,567
Other	<u>627</u>
 Total Revenues	 <u>1,190,882</u>

EXPENDITURES

Salaries and related benefits	692,218
Office supplies and expenses	61,210
Travel and automotive	33,772
Professional and legal fees	16,032
Capital outlay	<u>1,681</u>
 Total Expenses	 <u>804,913</u>

Excess of Revenues over Expenditures	385,969
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Fund Balance at Beginning of Year	<u>2,515,209</u>
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Fund Balance at End of Year	<u><u>\$2,901,178</u></u>
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The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balance of the Governmental Fund  
 to the Statement of Activities  
 For the Year Ended December 31, 2011

Net Change in Fund Balance - Governmental Funds	\$385,969
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation that was charged during the current year.	(5,006)
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Capital assets added during the year are not current financial resources, therefore, they are reported on the Statement of Net Assets and not the Governmental Funds Balance Sheet	1,681
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Some items reported in the Statement of Net Assets do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Net other postemployment benefit obligation (OPEB)	<u>(49,789)</u>
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Change in Net Assets of Governmental Activities	<u>\$332,855</u>
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The accompanying notes are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2011

**INTRODUCTION**

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the assessor is elected by the voters of the parish and serves a four year term. The assessor assesses all real and movable property in the parish subject to ad valorem taxation, prepares tax rolls, and submits the rolls to the Louisiana Tax Commission and other governmental bodies as prescribed by law. The assessor is authorized to appoint as many deputies as may be necessary for efficient operation of the office and provide assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the assessor is officially and pecuniarily responsible for the actions of the deputies.

The assessor has one office located in Edgard and one office in LaPlace in St. John the Baptist Parish. In accordance with Louisiana law, the assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The assessor completes an assessment listing for 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 located in the parish.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Basis of Presentation  
The accompanying basic financial statements of the St. John the Baptist Parish Assessor have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The St. John the Baptist Parish Assessor has adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Local Governments. The assessor will be treated as a governmental-type activity for financial reporting purposes in this audit. The minimum requirements for the St. John the Baptist Parish Assessor's office established by GASB Statement No. 34 are divided into the following sections: (a) Management's Discussion and Analysis, (b) Basic Financial Statements, and (c) Required Supplementary Information (RSI) other than MD&A.

The accompanying financial statements of the present information only as to the transactions of the programs of the assessor as authorized by Louisiana statutes and administrative regulations. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting. Therefore, ad valorem taxes, state revenue sharing, and interest earnings are recognized in the accounting period in which they are earned and become measurable.

Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31.

Expense Recognition

Expenses are also recognized on the accrual basis; therefore, expenses, including salaries and related benefits, travel and automotive, office supplies and expenditures, professional and legal fees, etc. are recognized in the period incurred, if measurable.

2. Reporting Entity

For financial reporting purposes, in conformance with GASB Codification Section 2100, the assessor is an independently elected official who operates his office without oversight responsibility to the parish governing authority, the St. John the Baptist Parish Council. Louisiana revised statutes give each assessor control over all of their operations. This includes

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

the hiring and retention of employees, authority over budgeting, responsibility for funding deficits and operating deficiencies, and fiscal management for controlling the collection and disbursement of funds. Therefore, the assessor reports as an independent reporting entity and the financial statements include only the transactions of the St. John the Baptist Parish Assessor. Furthermore, the St. John the Baptist Parish Council, the parish's governing authority, does not include the assessor as a component unit in its comprehensive annual financial report.

3. Fund Accounting

The assessor uses a fund (General Fund) to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The assessor's General Fund is classified as a governmental fund. Governmental funds account for general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of capital assets.

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the only fund of the assessor and accounts for the operation of the assessor's office. Ad valorem tax revenue authorized by Act 292 of 1985 is accounted for in this fund. General operating expenditures are paid from this fund.

4. Budgets

The proposed original budget for the year ended December 31, 2011, was made available for public inspection at the assessor's office and advertised on December 8, 2010. The budget was adopted after a public hearing which was held on December 22, 2010. The proposed budget was prepared on the modified accrual basis of accounting. The assessor reserves all authority to make changes to the budget.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The original budget was amended and made available for public inspection on December 10, 2011. The assessor subsequently adopted the amended budget on December 21, 2011.

Formal budget integration within the accounting records is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

All appropriations contained in the budget lapse at year end.

5. Cash and Cash Equivalents  
Cash includes amounts in noninterest bearing demand deposits. Cash equivalents include amounts in certificates of deposit. Under state law, the assessor may deposit funds in demand deposits, money market accounts, or certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.
6. Receivables  
Receivables are made up of ad valorem taxes and state revenue sharing. Ad valorem tax receivables recorded as of December 31, 2011 are based on the actual ad valorem taxes received in the ensuing calendar year, therefore, there was no need for estimating an uncollectible amount.
7. Capital Assets  
Capital assets are recorded at either historical cost or estimated historical cost and are depreciated over their estimated useful lives (excluding salvage value). These assets are reported on the Statement of Net Assets at original cost less accumulated depreciation, and annual depreciation expense is reported in the Statement of Activities. Any donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation with an estimated useful life of 5 years is used for all office furniture and equipment.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

8. Compensated Absences  
Employees of the assessor's office earn vacation leave depending on length of service as follows: after one year of service an employee earns 5 days; after two years of service an employee earns 10 days; after three and four years of service an employee earns 15 days; after five years of service an employee earns 20 days. An employee cannot earn more than 20 days per year after five years of service. Vacation leave must be taken during the year earned, and cannot be accumulated. Sick leave is granted at the discretion of the assessor, and cannot be accumulated. Upon termination, resignation, or retirement employees are not paid for any unused vacation or sick leave earned during the year. At December 31, 2011, there were no accumulated or vested benefits related to vacation and sick leave that require disclosure in accordance with GASB Codification C60.
9. Encumbrances  
Encumbrance accounting is not utilized by the assessor due to the nature of operations and the ability of management to monitor budgeted expenditures on a timely basis.
10. Use of Estimates  
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
11. Equity Classifications  
In the government-wide statements, equity is classified as net assets and displayed in three components:
  - a. Invested in capital assets, net of related debt: consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- b. Restricted net assets: consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets: all other assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

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

The assessor adopted GASB Statement No. 54 for the year ended December 31, 2011. As such, fund balances of the governmental funds are classified as follows:

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

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

**Committed:** amounts that can be used only for specific purposes determined by a formal action of the assessor. The assessor is the highest level of decision making authority for the assessor's office. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the assessor.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Notes to the Financial Statements  
 December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under the assessor's adopted policy, only the assessor may assign amounts for specific purposes.

Unassigned: all other spendable amounts.

	<u>General Fund</u>
Nonspendable:	-
Restricted	-
Committed:	-
Assigned:	-
Unassigned:	<u>\$2,901,178</u>
Total	<u>\$2,901,178</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the assessor considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the assessor considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the assessor has provided otherwise in his commitment or assignment actions.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Notes to the Financial Statements  
 December 31, 2011

**NOTE B - LEVIED TAXES**

Ad valorem taxes of 3.04 mills were authorized and levied for the operation of the assessor's office for the year ended December 31, 2011. The following are the four principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Business Type</u>	<u>2011 Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Marathon Ashland, LLC	Oil	\$156,167,429	43%
Dupont Performance	Chemicals	7,912,318	2
Arcelormittal LaPlace	Steel	7,755,855	2
E.I. Dupont De Nemours	Chemicals	<u>6,917,018</u>	<u>2</u>
Total		<u>\$178,752,620</u>	<u>49%</u>

The total taxable valuation for all taxpayers at December 31, 2011, was \$366,226,144. This figure was used in calculating the percentage of the "2011 taxable valuation of each of the principal taxpayers" to the "total taxable valuation for all taxpayers."

**NOTE C - CASH AND CASH EQUIVALENTS**

At December 31, 2011, the carrying amounts (book balances) of all cash and cash equivalents of the assessor are listed as follows:

Interest bearing bank account	\$ 490,994
Certificates of deposit	<u>1,266,285</u>
Total	<u>\$1,757,279</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Notes to the Financial Statements  
 December 31, 2011

**NOTE C - CASH AND CASH EQUIVALENTS (CONTINUED)**

securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2011, the assessor had \$1,773,586 in deposits (collected bank balances). At December 31, 2011, these deposits were secured from risk by \$1,500,000 of federal deposit insurance and \$1,547,520 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the assessor that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE D - CAPITAL ASSETS**

The capital assets used in the governmental-type activities are included on the Statement of Net Assets of the assessor and are capitalized at historical cost. Depreciation of all exhaustible capital assets used by the assessor is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Assets. Depreciation expense for financial reporting purposes is computed using the straight-line method over the useful lives of the capital assets and is reported in the Statement of Activities.

A summary of changes in capital assets and accumulated depreciation during the year is listed as follows:

	<u>Balance</u> <u>12/31/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/11</u>
<u>Capital Assets (at Cost)</u>				
Office furniture and equipment	\$83,674	\$1,681	\$(4,728)	\$80,627
Total	\$83,674	\$1,681	\$(4,728)	\$80,627

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Notes to the Financial Statements  
 December 31, 2011

NOTE D - CAPITAL ASSETS (CONTINUED)

	<u>Balance</u> <u>12/31/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/11</u>
<u>Less Accumulated Depreciation for -</u>				
Office furniture and equipment	\$ <u>59,534</u>	\$ <u>5,006</u>	\$( <u>4,728</u> )	\$ <u>59,812</u>
Total	\$ <u>59,534</u>	\$ <u>5,006</u>	\$( <u>4,728</u> )	\$ <u>59,812</u>

NOTE E - PENSION PLAN

Plan Description

Substantially all employees of the St. John the Baptist 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 are 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 credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to three and one-third percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. 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 after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessor's

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
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Notes to the Financial Statements  
December 31, 2011

**NOTE E - PENSION PLAN (CONTINUED)**

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

Funding Policy

For all of the year under audit, plan members (employees) were required by state law to contribute 8.0 percent of their annual covered salary into the retirement system. Also, for the entire year the assessor (employer) was required to contribute 13.5 percent of an employee's annual covered payroll into the System. Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing appropriated by the legislature. The contribution requirements of plan members and the assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The assessor's employer contributions to the System for the years ended December 31, 2011, 2010, and 2009 were \$57,746, \$57,260, and \$56,320, respectively, and these amounts equaled the required contributions for those years.

Additionally, the assessor paid all required employee contributions for all eligible employees of his office for the years ended December 31, 2011, 2010, and 2009, which totaled \$34,220, \$33,932, and \$33,375, respectively, and these amounts equaled the required contributions for those years.

**NOTE F - LONG-TERM LIABILITIES**

Other Postemployment Benefit Obligations (OPEB)

Plan Description: The assessor administers and contributes to a single-employer defined benefit health, dental and life insurance plan for retirees and active employees. The plan provides lifetime health and dental insurance for retirees, their spouses and dependents, and life insurance benefits for employees that retire at age 55 or older or have 30 years of service at any age. The assessor uses the same

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2011

**NOTE F - LONG-TERM LIABILITIES (CONTINUED)**

private insurance provider/carrier as the parish. No financial statements are available for the assessor's plan.

The assessor implements Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. By adopting the requirements of GASB Statement No. 45, the assessor recognizes the cost of postemployment benefits in the year when employee services are rendered, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the assessor's future cash flows. Because the assessor has adopted the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

**Funding Policy:** The assessor contributes 100% of the costs of the current year's health, dental and life insurance premiums for eligible retired employees, their spouses and dependents. The assessor finances its plan on a pay-as-you-go basis, therefore no funds are reserved for payment of future insurance premiums. For the year ended December 31, 2011, the assessor contributed \$57,168 to the plan on behalf of the retirees.

**Annual OPEB Cost and Net OPEB Obligation:** The assessor's annual other postemployment benefit (OPEB) is calculated based on the annual required contribution (ARC). The assessor has elected to calculate the ARC and related information using the "unit credit actuarial cost method." The ARC represents a level of funding that, if paid on an ongoing basis, it is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the assessor's annual OPEB cost for the year, the amount actually

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Notes to the Financial Statements  
 December 31, 2011

**NOTE F - LONG-TERM LIABILITIES (CONTINUED)**

contributed to the plan, and changes in the assessor's net OPEB obligation to the plan:

Annual required contribution (ARC)	\$102,844
Interest on net OPEB obligation	4,113
Adjustments to Annual Required Contribution	<u>0</u>
Annual OPEB cost	106,957
Contributions made	<u>(57,168)</u>
Increase in net OPEB obligation	49,789
Net OPEB obligation at beginning of year	<u>114,863</u>
Net OPEB obligation at end of year	<u><u>\$164,652</u></u>

The assessor's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year 2011 were \$106,957, 53%, and \$164,652, respectively.

Funded Status and Funding Progress: As of December 31, 2011, the actuarial accrued liability for benefits was \$1,519,661, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$427,551 and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 355%.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2011

**NOTE F - LONG-TERM LIABILITIES (CONTINUED)**

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees - Active members were assumed to retire at 65 years of age.

Marital status - Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality - Life expectancies were based on mortality tables from the National Center for Health Statistics.

Turnover - Non-group-specific age-based turnover data from GASB Statement No. 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services. A rate of 5.7% initially, increased to an ultimate rate of 6.6% after ten years, was used.

Health insurance premiums - 2009 health insurance premiums for retirees was used as the basis for calculation of the present value of total benefits to be paid.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2011

**NOTE F - LONG-TERM LIABILITIES (CONTINUED)**

Inflation rate - The expected long-term inflation assumption of 2.8% was based on projected changes in the Consumer Price Index (CPI) in The 2009 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds for an intermediate growth scenario.

Payroll growth rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the assessor's short-term investment portfolio and cash deposits, a future discount rate of 4% was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of projected payroll on an open basis over 30 years.

**NOTE G - LEASES**

Operating leases are all leases that do not meet the criteria of capital leases.

On October 1, 2010, the assessor had entered into a separate noncancelable operating lease for a replacement automobile. There were no lease payments required to be made during the current year.

On January 31, 2011, the assessor entered into a separate noncancelable operating lease for a replacement automobile. The assessor paid \$17,220 in lease payments during the current year towards this lease.

There were no other operating or capital leases, and no other commitments on any leases as of December 31, 2011.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2011

**NOTE H - EXPENDITURES OF THE ASSESSOR NOT INCLUDED IN THE  
FINANCIAL STATEMENTS**

The assessor has an office located in both Edgard and LaPlace in St. John the Baptist Parish. The upkeep and maintenance of these offices is mainly paid by the St. John the Baptist Parish Council as required by Louisiana Revised Statute. These expenditures are not reflected in the accompanying financial statements.

**NOTE I - LITIGATION**

There was no litigation pending against the assessor's office at December 31, 2011.

**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Required Supplementary Information  
 General Fund - Governmental Fund Type  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Ad valorem taxes	\$1,061,339	\$1,048,520	\$1,121,879	\$73,359
State revenue sharing	56,608	55,219	53,809	(1,410)
Interest earnings	20,000	15,000	14,567	(433)
Other	<u>-</u>	<u>-</u>	<u>627</u>	<u>627</u>
Total Revenues	<u>1,137,947</u>	<u>1,118,739</u>	<u>1,190,882</u>	<u>72,143</u>
<b>EXPENDITURES</b>				
Salaries and related expenditures	756,469	730,000	692,218	37,782
Office supplies and expenditures	52,500	30,324	61,210	(30,886)
Travel and automotive	32,900	26,400	33,772	(7,372)
Professional & legal fees	15,900	23,282	16,032	7,250
Capital outlay and miscellaneous	<u>50,000</u>	<u>45,000</u>	<u>1,681</u>	<u>43,319</u>
Total Expenditures	<u>907,469</u>	<u>855,006</u>	<u>804,913</u>	<u>50,093</u>
Excess (Deficiency) of Revenues over Expenditures	230,178	263,733	385,969	122,236
Fund Balance at Beginning of Year	<u>1,439,804</u>	<u>1,439,804</u>	<u>2,515,209</u>	<u>1,075,405</u>
Fund Balance at End of Year	<u>\$1,669,982</u>	<u>\$1,703,537</u>	<u>\$2,901,178</u>	<u>\$1,197,641</u>

The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
**Edgard, Louisiana**  
**Required Supplementary Information**  
**Schedule of Funding Progress**  
**Retirees Health, Dental and Life Insurance Plan**  
**For the Year Ended December 31, 2011**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
12/31/09	\$0	\$1,519,661	\$1,519,661	0%	\$417,188	364%
12/31/10	\$0	\$1,519,661	\$1,519,661	0%	\$424,151	358%
12/31/11	\$0	\$1,519,661	\$1,519,661	0%	\$427,551	355%

**SUPPLEMENTARY INFORMATION SCHEDULE**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Supplementary Information Schedule  
Summary Schedule of Prior Audit Findings and  
Corrective Action Plan for Current Year Audit Findings  
For the Year Ended December 31, 2011

I have audited the accompanying basic financial statements of the St. John the Baptist Parish Assessor as of and for the year ended December 31, 2011, and have issued my report thereon dated June 7, 2012. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2011 resulted in an unqualified opinion.

Section I - Summary of Auditor's Report and Findings

There was one significant deficiency in internal control that was a material weakness which required disclosure in this audit report (Finding No. 1).

There was one prior-year audit finding, and it was the same as the current-year finding (Finding No. 1).

There were no instances of noncompliance that were required to be reported in this audit report.

There were no other findings, required to be reported, and no management letter was issued for the current audit period.

The St. John the Baptist Parish Assessor did not receive any federal funds during the twelve months ended on December 31, 2011.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Supplementary Information Schedule (Continued)  
Summary Schedule of Prior Audit Findings and  
Corrective Action Plan for Current Year Audit Findings  
For the Year Ended December 31, 2011

Section II - Financial Statement Finding

Finding No.: 1

Fiscal Year Finding Initially Occurred: Has existed from inception.

Finding Described: The size of the assessor's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial. No action will need to be taken.

Anticipated Completion Date: Not applicable.

Contact Person:

Mr. Whitney Joseph, Jr., Assessor  
St. John the Baptist Parish  
1801 West Airline Hwy., Room 103  
LaPlace, Louisiana 70068  
Phone #: 985-652-5311

**OTHER REQUIRED REPORT**

**KEITH J. ROVIRA**  
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3331 METAIRIE ROAD  
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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 Whitney Joseph, Jr.  
St. John the Baptist Parish Assessor  
Edgard, Louisiana

I have audited the financial statements of the St. John the Baptist Parish Assessor as of and for the year ended December 31, 2011, and have issued my report thereon dated June 7, 2012. I conducted my 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the St. John the Baptist Parish Assessor's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. John the Baptist Parish Assessor's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the St. John the Baptist Parish Assessor's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, I identified a certain deficiency in the internal control over financial reporting that I consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness (Finding No. 1).

A significant deficiency is a deficiency or 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. I considered the significant deficiency described in Finding No. 1 to be a material weakness.

#### Compliance and Other Matters

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

This report is intended solely for the information and use of management and the State of Louisiana Legislative Auditor, and should not be used for any other purpose. This restriction is not

intended to limit the distribution of this report which, upon acceptance by the State of Louisiana Legislative Auditor, is a matter of public record.

A handwritten signature in blue ink that reads "Keith J. Rovira". The signature is written in a cursive style with a large initial 'K' and 'R'.

Keith J. Rovira  
Certified Public Accountant

June 7, 2012