

LOUISIANA ASSESSORS' INSURANCE FUND

SHREVEPORT, LOUISIANA

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HEARD, McILROY & VENTURA, L.L.P.

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June 18, 1997

Mr. Leroy A. Martin, President
Board of Trustees
Louisiana Assessor's Insurance Fund
Metairie, Louisiana

Independent Auditor's Report

We have audited the accompanying statement of net assets arising from cash transactions of the Louisiana Assessor's Insurance Fund as of December 31, 1995, and the related statement of changes in net assets resulting from revenue collected and expenses paid for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we 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 accounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, these financial statements were prepared on the basis of cash receipts and disbursements and are not intended to be a presentation in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets arising from cash transactions of the Louisiana Assessor's Insurance Fund as of December 31, 1995 and its revenue collected and expenses paid during the year then ended, on the basis of accounting described in Note 2.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of per diem and reimbursed expenses paid board members is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Heard, McIlroy & Ventura, L.L.P.

LOUISIANA ASSURORS' INSURANCE FUND
STATEMENT OF NET ASSETS ARISING FROM CASH TRANSACTIONS
DECEMBER 31, 2005

Cash	975,888
Investments, at fair value-Note 3	1,748,257
Fixed assets	<u>10,000</u>
Net assets	<u>2,734,145</u>

The accompanying notes to financial statements are an integral part of such statements.

LOUISIANA ASSESSORS' INSURANCE FUND
STATEMENT OF CHANGES IN NET ASSETS RESULTING FROM REVENUE
COLLECTED AND EXPENSES PAID
FOR THE YEAR ENDED DECEMBER 31, 1995

Additions to plan assets attributed to:	
Investment income	
Net (depreciation) in fair value of investments	(15,044)
Interest	58,304
Dividends	<u>200,818</u>
	192,757
Contributions	1,848,557
Administrative fees	<u>28,308</u>
Total additions	3,977,622
Deductions from plan assets attributed to:	
Payments for:	
Insurance premiums	3,818,140
Administrative expenses-Note 4	<u>42,153</u>
Total deductions	3,860,293
	117,329
Net assets:	
Beginning of year	<u>2,658,799</u>
End of year	<u>3,776,128</u>

The accompanying notes to financial statements are an integral part of such statements.

LOUISIANA ASSESSORS' INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS AT

DECEMBER 31, 1995

Note 1 - Description of the Plan

Louisiana Revised Statute 47:1933 created an Assessors' Insurance Fund for the assessors and assessors' employees throughout the State of Louisiana, and a public corporation to be known as the Insurance Committee of the Assessors' Insurance Fund, which committee shall be vested with the power to administer the fund herewith provided for, to run and be sued, to contract for and pay premiums for group life and accidental death and dismemberment insurance, group health, accident, dental, hospital, surgical and other medical expense insurance for the assessors, assessors' employees, and the dependents of the assessors and assessors' employees as provided, herein, with any insurance company legally organized to do business in the State of Louisiana.

On August 30, 1988, the Fund filed an Application for Recognition of Exemption under Section 501(c)(28) of the Internal Revenue Code, Voluntary Employees Beneficiary Associations. On December 13, 1988, the Internal Revenue Service advised that the application had been referred to their national office for a ruling. No response has been received from the Internal Revenue Service.

Note 2 - Summary of Significant Accounting Policies

- a) **Principles of Accounting.** The Fund prepares its financial statements on the cash basis. Under this basis, revenues are recognized when collected rather than when earned, and expenses are generally recognized when paid rather than when incurred. Consequently, accounts receivable, trade accounts payable, and accrued expenses are not included in the financial statements as of December 31, 1995.
- b) **Fixed Assets.** Fixed assets consist of equipment which is stated at cost. No depreciation has been provided.

Note 3 - Investments

The Fund's investments are stated at fair value. During 1995, the Plan's investments depreciated in value as follows:

Fair value as determined by quoted market price	Net (Decrease) in Value During Year	Fair Value at December 31, 1995
U.S. Government securities	<u>(73,154)</u>	<u>1,790,037</u>

The fair value of individual investments that represent 5.0% or more of the Plan's net assets are as follows:

Adjustable rate U.S. Government Fund (242,808.87 shares)	<u>1,790,037</u>
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Note 4 - Administrative Expenses

The following administrative expenses were incurred during the period ended December 31, 1995:

Audit and accounting	3,975
Administrative fees	6,000
Wire transfer fees	179
Employee benefits	1,060
Salaries	18,458
Payroll taxes	293
Fer other and travel	1,410
Insurance	3,981
Office supplies	2,368
Postage	1,042
Telephone	2,934
Travel	259
Miscellaneous	635
Parking and storage	<u>728</u>
Total administrative expenses	<u>91,151</u>

LOUISIANA ASSURANCE INSURANCE FUND
 SCHEDULE OF PER DIEM AND REIMBURSED
 EXPENSES PAID BOARD MEMBERS
 FOR THE YEAR ENDED DECEMBER 31, 1995

	Number of Days	Amount Paid
Maurice L. Vincent	1	75
Neil F. Sothie	1	75
Leroy A. Martin	1	75
Rich Bailey	1	75
Irby S. Gamble	1	150
Cameron F. Walker	2	150
Frank Greenlee, Jr.	2	300
Clyde H. Hillier	2	150
Sam H. Bennett	2	150
Gene P. Beauvillain	2	150
Meeting totals		<u>1,410</u>

Note - In accordance with Legislative Act 221 of 1981, members of the board receive per diem of \$75. In addition to per diem, board members are reimbursed for mileage at 29¢ per mile or actual plane fare plus cost of hotel accommodations.

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LOUISIANA ASSESSORS' INSURANCE FUND

SHREVEPORT, LOUISIANA

DECEMBER 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, to concerned, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Audit for Act, when appropriate, at the office of the parish clerk of court.

Release Date: _____

LOUISIANA ASSESSORS' INSURANCE FUND

SHREVEPORT, LOUISIANA

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June 18, 1997

Mr. Larry A. Martin, President
Board of Trustees
Louisiana Assurers' Insurance Fund
Shreveport, Louisiana

Independent Auditor's Report

We have audited the accompanying statement of net assets arising from cash transactions of the Louisiana Assurers' Insurance Fund as of December 31, 1996, and the related statement of changes in net assets resulting from revenue collected and expenses paid for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, these financial statements were prepared on the basis of cash receipts and disbursements and are not intended to be a presentation in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the net assets arising from cash transactions of the Louisiana Assurers' Insurance Fund as of December 31, 1996, and its revenue collected and expenses paid during the year then ended, on the basis of accounting described in Note 2.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of per diem and reimbursed expenses paid board members is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Brand, McIlroy & Vestal, L.L.P.

LOUISIANA ASSESSORS' INSURANCE FUND
STATEMENT OF NET ASSETS ARISING FROM CASH TRANSACTIONS
DECEMBER 31, 1996

Cash	490,721
Investments, at fair value-Note 5	1,871,166
Fixed assets	<u>10,882</u>
Net assets	<u>2,372,769</u>

The accompanying notes to financial statements are an integral part of each statement.

LOUISIANA ASSURED'S INSURANCE FUND
 STATEMENT OF CHANGES IN NET ASSETS RESULTING FROM REVENUE
 COLLECTED AND EXPENSES PAID
 FOR THE YEAR ENDED DECEMBER 31, 1998

Additions to plan assets attributed to:	
Investment income	
Net appreciation in fair value of investments	135
Interest	38,329
Dividends	100,718
	139,179
Contributions	3,972,948
Administrative fees	26,778
Miscellaneous income	282
Total additions	4,139,287
Deductions from plan assets attributed to:	
Payments for:	
Insurance premiums	4,092,783
Administrative expenses-Note 4	41,827
Total deductions	4,134,610
	(497,430)
Net assets:	
Beginning of year	2,176,178
End of year	<u>1,678,748</u>

The accompanying notes to financial statements are an integral part of such statements.

LOUISIANA ASSESSORS' INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS AT

DECEMBER 31, 1996

Note 1 - Description of the Plan

Louisiana Revised Statute 47:1922 created an Assessors' Insurance Fund for the assessors and assessors' employees throughout the State of Louisiana, and a public corporation is to be known as the Insurance Commission of the Assessors' Insurance Fund, which commission shall be vested with the power to administer the fund herewith provided for, to sue and be sued, to contract for and pay premiums for group life and accidental death and dismemberment insurance, group health, accident, dental, hospital, surgical and other medical expense insurance for the assessors, assessors' employees, and the dependents of the assessors and assessors' employees as provided, herein, with any insurance company lawfully organized to do business in the State of Louisiana.

On August 30, 1988, the Fund filed an Application for Recognition of Exemption under Section 501(c)(4) of the Internal Revenue Code, Voluntary Employees Beneficiary Associations. On December 13, 1988, the Internal Revenue Service advised that the application had been referred to their national office for a ruling. No response has been received from the Internal Revenue Service.

Note 2 - Summary of Significant Accounting Policies

- a) **Principles of Accounting.** The Fund prepares its financial statements on the cash basis. Under this basis, revenues are recognized when collected rather than when earned, and expenses are generally recognized when paid rather than when incurred. Consequently, accounts receivable, trade accounts payable, and accrued expenses are not included in the financial statements as of December 31, 1996.
- b) **Fixed Assets.** Fixed assets consist of equipment which is stated at cost. No depreciation has been provided.

Note 3 - Investments

The fund's investments are stated at fair value. During 1996, the Plan's investments appreciated in value as follows:

Fair value as determined by quoted market price:	Net Increase in Value During Year	Fair Value at December 31, 1996
U.S. Government securities	<u>115</u>	<u>1,871,856</u>

The fair value of individual investments that represent 5.0% or more of the Plan's net assets are as follows:

Adjustable rate U.S. Government Fund (254,303.73 shares)	<u>1,871,856</u>
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Note 4 - Administrative Expenses

The following administrative expenses were incurred during the period ended December 31, 1990:

Administrative fees	6,600
Employee benefits	1,048
Salaries	20,400
Payroll taxes	330
Fuel, oil and travel	2,454
Insurance	2,007
Office supplies	2,815
Postage	1,300
Telephone	1,880
Travel	622
Miscellaneous	114
Parking and storage	<u>130</u>
Total administrative expenses	<u>\$41,800</u>

LOUISIANA ASSESSORS' INSURANCE FUND
 SCHEDULE OF PER DIEM AND REIMBURSED
 EXPENSES PAID BOARD MEMBERS
 FOR THE YEAR ENDED DECEMBER 31, 1998

	Number of Days	Amount Paid
Rayhanic S. Smith	4	300
David P. Swalton	3	225
Levey A. Martin	3	225
Wick Bailey	3	225
Irby S. Gamble	3	225
Carmon P. Walker	4	300
Bennie Ruth Hill	2	150
Gene H. Bennett	4	300
Gene P. Borellain	4	300
Missing totals		<u>2,421</u>

Note - In accordance with Legislative Act 221 of 1981, members of the board receive per diem of \$75. In addition to per diem, board members are reimbursed for mileage at 25¢ per mile or actual plane fare plus cost of hotel accommodations.

HEARD, McELROY & VESTAL, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMPHIS-AUDITING DEPARTMENT
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Charles E. York, CPA (RIT)Oscar B. Blasing, Jr., CPA, AICPA
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Michael J. O'Brien, CPA**FAX TRANSMISSION****DATE:** SEPT 17, 1993**TIME:****CLIENT:****FACTS:**

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FROM:

JMV

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REGARD, MELROY & VESTAL, L.L.P.

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FAX TRANSMISSION**DATE:** September 3, 1992**TIME:** 2:08 PM**CLIENT #:****PAGES:** The following document, including cover sheet, has 4 pages.

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TO: Jackson Sargent**FAX #:** 301-226-1802**PHONE #:** 301-226-1802**FROM:** Katherine Johnson**COMMENT:** The following pages are the information you requested. I will mail the original today. If you need any other information, please do not hesitate to call.**TAX TIP****OF THE****MONTH:** Do your employees pay any portion of health insurance premiums for themselves or their dependents? If so, they can save 25% of the premium cost and you can pocket 30% of the cost in tax savings by implementing a cafeteria plan.

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HOWE, McELROY & VESTAL, L.L.P.

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June 18, 1997

Mr. Rich Bailey, President
 Board of Trustees
 Louisiana Asbestos' Insurance Fund
 Shreveport, Louisiana

Auditor's Report on Compliance with Laws and Regulations

We have audited the accompanying cash basis financial statements arising from each transaction of the Louisiana Asbestos' Insurance Fund as of and for the years ended December 31, 1995 and 1996, and have issued our report therein dated June 18, 1997.

We conducted our work in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Louisiana Asbestos' Insurance Fund, is the responsibility of the Louisiana Asbestos' Insurance Fund's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Asbestos' compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management and the Office of the Legislative Auditor, State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Howe, McElroy & Vestal, L.L.P.

HEND, McELROY & WYATT, L.L.P.
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June 18, 1997

Mr. Rich Bailey, President
 Board of Trustees
 Louisiana Assessors' Insurance Fund
 Shreveport, Louisiana

Auditor's Report on Internal Control Structure

We have audited the accompanying cash basis financial statements arising from cash transactions of the Louisiana Assessors' Insurance Fund as of and for the years ended December 31, 1996 and 1995, and have issued our report thereon dated June 18, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements.

The management of the Louisiana Assessors' Insurance Fund is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Louisiana Assessors' Insurance Fund for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been

Mr. Rich Bailey, President
Board of Trustees
Louisiana Americans' Insurance Fund
June 18, 1997
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placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of management and the Office of the Legislative Auditor, State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Heard, Mr. Delroy & Nestle

HEARD, MICHELOTT & VESTAL, L.L.P.

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 OF THE
 MONTH**

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June 18, 1987

Mr. Rick Bailey, President
 Board of Trustees
 Louisiana Assessors' Insurance Fund
 Shreveport, Louisiana

Auditor's Report on Internal Control Structure

We have audited the accompanying cash basis financial statements showing cash transactions of the Louisiana Assessors' Insurance Fund as of and for the years ended December 31, 1986 and 1985, and have issued our report thereon dated June 18, 1987.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Louisiana Assessors' Insurance Fund is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of a favorable opinion of the structure to future periods is subject to the risk that circumstances may become a disadvantage because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Louisiana Assessors' Insurance Fund for the year ended December 31, 1986, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been

Mr. Keith Bailey, President
Board of Trustees
Louisiana Assessors' Insurance Fund
June 18, 1997
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placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

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Heard, M^o Elroy & Vestal LLP

