

RECEIVED
LEGISLATIVE AUDITOR
00 JUN - 3 AM 10:32

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

TANGIPAHOA PARISH ASSESSOR
AMITE, LOUISIANA

REPORT ON AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1999

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

Release Date 6/14/00

TANGIPAHOA PARISH ASSESSOR
AMITE, LOUISIANA

REPORT ON AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1999

CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	-	1
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)		
Combined Balance Sheet - All Fund Types and Account Groups	A	3
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	B	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	C	5
Notes to Financial Statements	-	6 - 18
OTHER INDEPENDENT AUDITOR'S REPORT AND FINDINGS AND RECOMMENDATIONS		
Independent Auditor's Report on Compliance and On Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government</u> <u>Auditing Standards</u>	-	21 - 22
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS		
Findings and Recommendations	-	24
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	-	26



Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Corporation

HAMMOND, LA • AMITE, LA

John N. Durnin, CPA
Dennis E. James, CPA
Bryon C. Garrety, CPA

Charles D. Mathews, CPA
Jessie Travis-Gill, CPA
Charles F. Dismukes, Jr., CPA

Member
American Institute of
Certified Public Accountants

Member
Society of Louisiana
Certified Public Accountants

February 4, 2000

INDEPENDENT AUDITOR'S REPORT

The Honorable William S. Dufreche
TANGIPAHOA PARISH ASSESSOR
Amite, Louisiana

We have audited the accompanying general purpose financial statements of the Tangipahoa Parish Assessor, a component unit of the Tangipahoa Parish Council, as of December 31, 1999, and for the year then ended. These general purpose financial statements are the responsibility of the management of the Tangipahoa Parish Assessor. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We have conducted our audit in accordance with generally accepted auditing standards, and 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 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.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Tangipahoa Parish Assessor, as of December 31, 1999, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Respectfully submitted,

DURNIN & JAMES, CPA'S, P.C.

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

TANGIPAHOA PARISH ASSESSOR
AMITE, LOUISIANA

EXHIBIT A

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1999

	GOVERNMENTAL FUND	FIDUCIARY FUND - DEFERRED COMPENSATION PROGRAM AGENCY FUND	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
			GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
ASSETS					
Cash and Cash Equivalents	\$ 92,967	\$ -	\$ -	\$ -	\$ 92,967
Investments	795,043	-	-	-	795,043
Receivables (Net, Where Applicable of Allowances for Uncollectibles):					
Ad Valorem Taxes/State Revenue Sharing	844,894	-	-	-	844,894
Tax Roll Fees/Interest	-	-	-	-	-
Deposits With MFS/Sun Life (U.S.) Annuity	-	168,587	-	-	168,587
Office Furniture & Equipment	-	-	334,693	-	334,693
Vehicles	-	-	54,490	-	54,490
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-	-	-
TOTAL ASSETS	<u>\$1,732,904</u>	<u>\$ 168,587</u>	<u>\$ 389,183</u>	<u>\$ -</u>	<u>\$2,290,674</u>
LIABILITIES					
Due to Plan Participants	\$ -	\$ 168,587	\$ -	\$ -	\$ 168,587
Capital Lease Obligation	-	-	-	-	-
TOTAL LIABILITIES	\$ -	\$ 168,587	\$ -	\$ -	\$ 168,587
FUND EQUITY					
Investments in General Fixed Assets	\$ -	\$ -	\$ 389,183	\$ -	\$ 389,183
Fund Balance, Unreserved - Undesignated	<u>1,732,904</u>	-	-	-	<u>1,732,904</u>
TOTAL FUND EQUITY	<u>\$1,732,904</u>	\$ -	<u>\$ 389,183</u>	\$ -	<u>\$2,122,087</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,732,904</u>	<u>\$ 168,587</u>	<u>\$ 389,183</u>	<u>\$ -</u>	<u>\$2,290,674</u>

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH ASSESSOR
Amite, Louisiana

EXHIBIT B

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GENERAL FUND

For the Year Ended December 31, 1999

REVENUES:

Ad Valorem Taxes	\$ 999,891
Tax Roll Fees	16,492
Interest Earnings	55,450
Other Revenues	<u>46,417</u>
TOTAL REVENUES	\$1,118,250

EXPENDITURES:

General Government - Taxation:	
Salaries and Related Benefits:	
Assessor	\$ 80,250
Deputies	650,224
Retirement Contributions	39,224
Insurance - Employees	86,583
FICA and Medicare	8,575
General Office Expenditures	55,678
Automobile Expenditures	16,598
Post Employment Benefits - Retirees	34,101
Property and Casualty Insurance	8,083
Education and Travel	4,185
Assessor's Allowance	8,025
Professional Fees	27,363
Capital Outlay - Equipment	<u>69,906</u>
TOTAL EXPENDITURES	\$ <u>1,088,795</u>

Excess of Revenues Over Expenditures	\$ 29,455
--------------------------------------	-----------

Fund Balance at Beginning of Year	<u>1,703,449</u>
-----------------------------------	------------------

Fund Balance at End of Year	<u>\$1,732,904</u>
-----------------------------	--------------------

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH ASSESSOR
Amite, Louisiana

EXHIBIT C

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS)
AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 1999

	<u>REVISED</u> <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES:</u>			
Ad Valorem Taxes	\$ 994,000	\$ 999,891	\$ 5,891
Tax Roll Fees	16,000	16,492	492
Interest Earnings	53,000	55,450	2,450
Other Revenues	<u>45,000</u>	<u>46,417</u>	<u>1,417</u>
TOTAL REVENUES	\$1,108,000	\$1,118,250	\$ 10,250
<u>EXPENDITURES:</u>			
General Government - Taxation:			
Salaries and Related Benefits:			
Assessor	\$ 80,250	\$ 80,250	\$ -
Deputies	650,000	650,224	(224)
Retirement Contributions	40,000	39,224	776
Insurance - Employees	87,000	86,583	417
FICA and Medicare	9,000	8,575	425
General Office Expenditures	60,000	55,678	4,322
Automobile Expenditures	16,000	16,598	(598)
Post Employment Benefits-Retirees	34,000	34,101	(101)
Property and Casualty Insurance	9,000	8,083	917
Education and Travel	5,000	4,185	815
Assessor's Allowance	8,025	8,025	-
Professional Fees	27,000	27,363	(363)
Capital Outlay - Equipment	<u>70,000</u>	<u>69,906</u>	<u>94</u>
TOTAL EXPENDITURES	<u>1,095,275</u>	<u>1,088,795</u>	<u>6,480</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 12,725	\$ 29,455	\$ 16,730
Fund Balance at Beginning of Year	<u>1,676,976</u>	<u>1,703,449</u>	<u>26,473</u>
Fund Balance at End of Year	<u>\$1,689,701</u>	<u>\$1,732,904</u>	<u>\$ 43,203</u>

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH ASSESSOR
Amite, Louisiana

NOTES TO FINANCIAL STATEMENTS

December 31, 1999

	<u>PAGE</u>
INTRODUCTION	7
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	7
A. BASIS OF PRESENTATION	7
B. REPORTING ENTITY	7 - 8
C. FUND ACCOUNTING	8 - 9
D. BASIS OF ACCOUNTING	9 - 10
E. BUDGETS	10
F. ENCUMBRANCES	10
G. CASH EQUIVALENTS AND INVESTMENTS	10 - 11
H. INVENTORY	11
I. PREPAID ITEMS	11
J. FIXED ASSETS	11
K. COMPENSATED ABSENCES	11 - 12
L. LONG-TERM OBLIGATIONS	12
M. TOTAL COLUMN ON BALANCE SHEET	13
2. LEVIED TAXES	13 - 14
3. CASH, CASH EQUIVALENTS AND INVESTMENTS	14 - 15
4. CHANGES IN GENERAL FIXED ASSETS	15
5. PENSION PLAN	15 - 16
6. POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS	16 - 17
7. RELATED-PARTY TRANSACTIONS	17
8. EXPENDITURES OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS	17
9. DEFERRED COMPENSATION PLAN	17
10. LITIGATION AND CLAIMS	17
11. SUBSEQUENT EVENTS	18

TANGIPAHOA PARISH ASSESSOR
Amite, Louisiana

NOTES TO FINANCIAL STATEMENTS

December 31, 1999

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. The Assessor is authorized to appoint as many deputies as may be necessary for the 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's office is located in the Tangipahoa Parish Courthouse in Amite, Louisiana. The Assessor employs 16 deputies. 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 by May 1 of the tax year and submits the assessment roll to the parish tax collector, who is responsible for the collection and distribution of taxes to the various taxing bodies.

At December 31, 1999, there were 49,273 real and movable property assessments totaling \$301,906,381 as follows:

Real Property	\$209,628,618
Personal Property	61,634,253
Public Service	<u>30,643,510</u>
	<u>\$301,906,381</u>

This represents an increase of 970 assessments totaling \$11,550,070 over the prior year, caused primarily by growth in commercial and residential real estate in Tangipahoa Parish.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Tangipahoa Parish Council is the financial reporting entity for Tangipahoa Parish. The financial reporting entity consists of (a) the primary government (council) (b) organizations for which the primary government is financially

TANGIPAHOA PARISH ASSESSOR
Amite, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Tangipahoa Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish council.
2. Organizations for which the parish council does not appoint a voting majority but are fiscally dependent on the parish council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the parish council provides for office space, the assessor is fiscally dependent on the parish council. Therefore, the assessor was determined to be a component unit of the Tangipahoa Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the assessor and do not present information on the parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Assessor uses funds and account groups 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. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the

TANGIPAHOA PARISH ASSESSOR
Amite, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

funds because they do not directly affect net expendable available financial resources. Funds of the Assessor are classified into two categories as follows:

GOVERNMENTAL FUND

General Fund - The General Fund, as provided by Louisiana Revised Statute 47:1906, is the principal fund of the Assessor and accounts for the operation of the Assessor's office. Compensation received from the various taxing bodies, prescribed by formula in Louisiana Revised Statute 47:1907-1908 and ad valorem tax revenues authorized by Act 806 of 1984, are accounted for in this fund. General operating expenditures are paid from this fund.

FIDUCIARY FUND

The fiduciary fund (Deferred Compensation Program Agency Fund) accounts for assets held on behalf of others as their agent. The Deferred Compensation Program Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The fund accounts for the portion of the participating employees' salaries that have been deferred until future years, as described in Note 9.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The operating statement of the General Fund presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund and the Deferred Compensation Program Agency Fund. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and related state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

All other revenues are recorded when received.

TANGIPAHOA PARISH ASSESSOR
Amite, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGETS

The Assessor uses the following budget practices:

The proposed budget for 1999 was made available for public inspection on November 20, 1998. The budget was published in the official journal on November 23, 1998, 12 days prior to the public hearing which was held on December 7, 1998, at the Assessor's office in Amite, Louisiana. The 1999 budget was adopted December 11, 1998.

The Assessor has final authority to adopt the original budget and any subsequent changes made to this document. The 1999 budget was amended on October 1, 1999. The budget amounts in the accompanying financial statements reflect both the original and amended amounts budgeted.

A budget comparison report is examined each month to determine problem areas which will not meet the original projections. The necessary corrections are made to the budget when these problem areas are recognized.

All unexpended amounts in any budgetary account lapse at the end of the budgetary year.

F. ENCUMBRANCES

There is no encumbrance accounting procedure used in this office.

G. CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits. Under state law, the Assessor may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Under state law, the Assessor may invest in United States bonds, treasury notes, or certificates. Investments are stated at cost, except for investments in a deferred compensation fund which are stated at market.

TANGIPAHOA PARISH ASSESSOR
Amite, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

The Tangipahoa Parish Assessor's Office provides a deferred compensation program for its employees. The program is the Compass 2 Combination fixed/variable annuity and is serviced through MFS/SUN LIFE (U.S.), P. O. Box 1024, Boston, MA. 02103-9986. These funds belong to the individual employee. The Assessor's office is the administrator of the plan and all withdrawals by employees must be requested by the Assessor's office. The value of these accounts as of December 31, 1999 was \$168,587.

H. INVENTORY

The Tangipahoa Parish Assessor utilizes the "purchase method" of accounting for supplies in governmental funds whereby expendable operating supplies are recognized as expenditures when purchased. As a result, the Tangipahoa Parish Assessor did not record any inventory at December 31, 1999.

I. PREPAID ITEMS

None.

J. FIXED ASSETS

Fixed assets are recorded as expenditures at the time of purchase and the related assets are capitalized (reported) in the general fixed assets. No depreciation has been provided on general fixed assets. General fixed assets provided by the Parish Council are not recorded within the fixed assets account group. Fixed assets are valued at historical cost.

K. COMPENSATED ABSENCES

The assessor has the following policy relating to vacation and sick leave:

All full-time employees earn annual leave based on years of service. Employees with five years or less of service earn ten days of annual leave each year. Employees with six to fifteen years of service earn fifteen days of annual leave each year. Employees with sixteen years and over earn twenty days of annual leave each year. Unused annual leave at the end of each year may not be accumulated to the next year.

Employee sick leave is also based on years of service. Employees with five years or less earn ten days of sick leave each year. Employees with six to fifteen years earn twelve days of sick leave each year. Employees with sixteen years or more earn fifteen days of sick leave each year. Unused sick leave days for any employee as of June 1st of each year may be taken as additional annual leave. Unused sick leave at the end of each year may not be accumulated to the next year.

TANGIPAHOA PARISH ASSESSOR
Amite, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

The assessor's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Only the current portion of the liability for compensated absences should be reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources.

The remainder of the liability should be reported in the general long-term obligations account group.

No provision for accrued compensated absences is required at December 31, 1999, as the amount is not material.

L. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from the General Fund are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the General Fund when due.

TANGIPAHOA PARISH ASSESSOR
Amite, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

M. TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. LEVIED TAXES

The Tangipahoa Parish Assessor's Office is financed by a millage tax authorized by Act 806 of the Louisiana Legislature in 1984. The present tax rate of 4.67 mills is the maximum authorized by law. In 1999 this office levied 4.67 mills on the 1999 tax roll.

The principal taxpayers in Tangipahoa Parish are as follows:

<u>Taxpayer</u>	<u>Business Type</u>	<u>1999 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
BellSouth Telecommunications	Public Service	\$10,408,752	3.45%
Entergy, Entergy Gulf States	Public Service	9,606,630	3.18%
Sunbelt Dix Properties Corp. Winn Dixie	Distribution Center	7,597,095	2.52%
OhioCubo, Inc., Super Value, Inc.	Distribution Center	3,906,915	1.29%
First Guaranty Bank Guaranty Bank & Trust Co.	Banking	3,209,007	1.06%
First American National Bank	Banking	2,807,096	0.93%
Florida Gas Transmission Co.	Public Service	2,470,150	0.82%
Delchamps, Inc.	Distribution Center	2,317,886	0.77%
Illinois Central Railroad Co.	Public Service	2,110,380	0.70%
Hancock Bank of Louisiana	Banking	<u>1,966,571</u>	<u>0.65%</u>
		<u>\$46,400,482</u>	<u>15.37%</u>

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Assessor in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Tangipahoa Parish Sheriff bills and collects the property taxes for the Assessor using the assessed values determined by the Tax Assessor of Tangipahoa Parish.

TANGIPAHOA PARISH ASSESSOR
Amite, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

For the year ended December 31, 1999, taxes of 4.67 mills were levied on property with taxable assessed valuations totaling \$186,609,815 and were dedicated to component units.

Total taxes levied were \$871,468. Taxes receivable including state revenue sharing were \$844,894 at December 31, 1999. Ad valorem taxes receivable at December 31, 1999, are recorded net of an allowance for uncollectibles.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

At December 31, 1999, the Assessor has cash (demand deposits) totaling \$92,967. Investments totaling \$795,043 at December 31, 1999, are in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, the investments in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the Investment is in a pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and state-wide professional organizations. Only local governments 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. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

	Confirmed Bank Balance	FDIC Insurance	Pledged Collateral	Excess Security
	<u>12/31/99</u>	<u>Insurance</u>	<u>Collateral</u>	<u>Security</u>
Demand Deposits	\$103,287	\$100,000	\$500,000	\$496,713
Investments	\$795,043	\$ -	\$ -	\$ -

The demand deposits are stated at cost, which approximates market. Under state law, these deposits (or 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 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. At December 31, 1999, the Assessor had

TANGIPAHOA PARISH ASSESSOR
Amite, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

\$103,287 in deposits (collected bank balances). These deposits were secured from risk by \$100,000 of federal deposit insurance and \$500,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, 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.

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance	<u>Current Year</u>		Balance
	<u>01/01/99</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/99</u>
Office Furniture & Equipment	\$275,652	\$ 69,906	\$ 10,865	\$334,693
Vehicles	<u>54,490</u>	<u>-</u>	<u>-</u>	<u>54,490</u>
	<u>\$330,142</u>	<u>\$ 69,906</u>	<u>\$ 10,865</u>	<u>\$389,183</u>

5. PENSION PLAN

Plan Description. Substantially all employees of the Tangipahoa Parish Assessor's Office are members of the Louisiana Assessor's Retirement Fund 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 3 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 or amended by state statute.

TANGIPAHOA PARISH ASSESSOR
Amite, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

Funding Policy

Plan members are required by state statute to contribute 7.0 percent of their annual covered salary and the Tangipahoa Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 5.75 percent of annual covered payroll. 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 funds appropriated by the legislature. The contribution requirements of plan members and the Tangipahoa Parish 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.

Trend Information

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 14699, Baton Rouge, Louisiana 70898, or by calling (504)928-8886. The Assessor's Office total payroll in the year ended December 31, 1999, was \$730,474, and the Assessor's Office employer contributions were based on a payroll of \$682,164. Employee contributions were based on a total payroll on \$637,132. The difference is "drop-program" employees that were not included for the first ten months of the year. Louisiana State Law changed to a three-year drop program, during which all payroll is subject to employer and employee contributions. Both the Assessor's Office and the covered employees made the required contributions amounting to \$83,824. Contributions required by state statute:

<u>Year</u> <u>December 31</u>	<u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
1997	\$67,593	100%
1998	\$75,329	100%
1999	\$83,824	100%

6. POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Tangipahoa Parish Assessor provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Assessor's employees become eligible for those benefits if they reach normal retirement age while working for the Assessor. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employees and by the Assessor. The Assessor recognizes the cost of providing these benefits on a pay-as-you-go basis as an expenditure when paid during the year, which was \$34,101 for 1999. The cost

TANGIPAHOA PARISH ASSESSOR
Amite, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

allocated to the eight retirees for health care and life insurance is \$34,101 for 1999.

7. RELATED-PARTY TRANSACTIONS

None.

8. EXPENDITURES OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS

Certain operating expenditures of the Assessor's office are paid by the parish council as required by Louisiana Revised Statute 33:4713. The Assessor's office is located in the Tangipahoa Parish Courthouse and the upkeep and maintenance of the courthouse is paid by the Tangipahoa Parish Council.

9. DEFERRED COMPENSATION PLAN

The Tangipahoa Parish Assessor offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all employees, permits employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Assessor (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Assessor's general creditors. Participants' rights under the plan are equal to those of general creditors of the Assessor in an amount equal to the fair market value of the deferred account for each participant cost. Deposits with the MFS/Sun Life (U.S.) Annuity are stated at market value.

According to the plan document, the Assessor has no liability for losses under the plan except where it can be shown that fraud or theft has occurred. Deposits with MFS/Sun Life (U.S.) Annuity total \$168,587 at December 31, 1999, as reflected on Exhibit A.

10. LITIGATION AND CLAIMS

There are no litigation or claims against the Tangipahoa Parish Assessor as of the date of this report.

TANGIPAHOA PARISH ASSESSOR
Amite, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

11. SUBSEQUENT EVENTS

There are no subsequent events as of the date of this report which would alter or materially affect the financial data disclosed in this report.

OTHER INDEPENDENT AUDITOR'S REPORT AND
FINDINGS AND RECOMMENDATIONS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Corporation

HAMMOND, LA • AMITE, LA

John N. Durnin, CPA
Dennis L. James, CPA
Bryon C. Garrety, CPA

Charles D. Mathews, CPA
Jessie Travis-Gill, CPA
Charles F. Dismukes, Jr., CPA

Member
American Institute of
Certified Public Accountants

Member
Society of Louisiana
Certified Public Accountants

February 4, 2000

INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable William S. Dufreche
TANGIPAHOA PARISH ASSESSOR
Amite, Louisiana

We have audited the general purpose financial statements of the Tangipahoa Parish Assessor, Amite, Louisiana, a component unit of the Tangipahoa Parish Council, as of and for the year ended December 31, 1999, and have issued our report thereon dated February 4, 2000. We have conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Tangipahoa Parish Assessor's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Tangipahoa Parish Assessor's internal control over financial statements reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over

TANGIPAHOA PARISH ASSESSOR

financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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 over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management and the Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

Respectfully submitted,

A handwritten signature in cursive script that reads "Durnin & James".

DURNIN & JAMES, CPA'S, P.C.

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

TANGIPAHOA PARISH ASSESSOR
AMITE, LOUISIANA

CORRECTION ACTION PLAN FOR
CURRENT YEAR AUDIT FINDINGS

For the Year Ended December 31, 1999

FINDINGS AND RECOMMENDATIONS

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Contact Person</u>	<u>Anticipated Completion Date</u>
-----------------	-------------------------------	----------------------------------	-----------------------	--

Section I - Internal Control and Compliance Material to the Financial Statements:

No Findings

Section II - Internal Control and Compliance Material to Federal Awards:

No findings applicable to federal awards.

Section III - Management Letter:

No management letter.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

TANGIPAHOA PARISH ASSESSOR
AMITE, LOUISIANA

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 1999

<u>Ref #</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Plan Corrective Action Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
97-1	12/31/97	Four invoices not approved.	Yes	All invoices approved prior to payment.	N/A
97-2	12/31/97	Six invoices not stamped "paid".	Yes	All invoices stamped "paid" upon payment.	N/A