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**WEBSTER PARISH ASSESSOR  
Minden, Louisiana**

**General Purpose Financial Statements  
With Independent Auditor's Report  
As of and for the Two Years 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 10-25-00

**VERNON R  
COON**  
CERTIFIED PUBLIC ACCOUNTANT

WEBSTER PARISH ASSESSOR  
Minden, Louisiana

General Purpose Financial Statements  
With Independent Auditor's Report  
As of and for the Two Years Ended  
December 31, 1999

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## Independent Auditor's Report

HONORABLE KERRY O. BURNS, CLA  
WEBSTER PARISH ASSESSOR  
Minden, Louisiana

I have audited the general purpose financial statements of the Webster Parish Assessor, a component unit of the Webster Parish Police Jury, as of December 31, 1999, and for each of the years in the two year period then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Webster Parish Assessor's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

Except as discussed in the following paragraph, I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Because of inadequacies in the accounting records of the assessor's office for the year ending December 31, 1998, I was unable to form an opinion regarding the financial information presented in Statement C for that time period.

In my opinion, except for the results of operations ending December 31, 1998 on which I express no opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Webster Parish Assessor as of December 31, 1999, and the results of operations for the year then ended in conformity with generally accepted accounting principles.

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WEBSTER PARISH ASSESSOR

Minden, Louisiana

Independent Auditor's Report

December 31, 1999

In accordance with *Government Auditing Standards*, I have also issued a report dated September 21, 2000, on the Webster Parish Assessor's compliance with laws, regulations, and contracts, and my consideration of the agency's internal control over financial reporting.

A handwritten signature in black ink, appearing to be 'W. J. ...', is written over the text of the second report.

West Monroe, Louisiana

September 21, 2000

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(OVERVIEW)**

WEBSTER PARISH ASSESSOR  
Minden, Louisiana  
ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet, December 31, 1999

	GOVERNMENTAL FUND TYPE - GENERAL FUND	...ACCOUNT GROUP... GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
<b>ASSETS AND OTHER DEBITS</b>			
Cash	\$590,613		\$590,613
Receivables	915,535		915,535
Other assets	475		475
Office furnishings and equipment		\$185,199	185,199
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$1,506,623</b>	<b>\$185,199</b>	<b>\$1,691,822</b>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Accounts payable	\$2,570		\$2,570
Payroll deducts payable	134,758		134,758
Total liabilities	137,328	NONE	137,328
Fund Equity:			
Investment in general fixed assets		\$185,199	185,199
Fund balance - unreserved - undesignated	1,369,295		1,369,295
Total Fund Equity	1,369,295	185,199	1,554,494
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$1,506,623</b>	<b>\$185,199</b>	<b>\$1,691,822</b>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH ASSESSOR  
Minden, Louisiana  
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget  
(GAAP Basis) and Actual  
For the Year Ended December 31, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes - ad valorem	\$810,000	\$804,806	(\$5,194)
Intergovernmental revenues - state grant - state revenue sharing	160,000	154,823	(5,177)
Fees, charges, and commissions for services	6,000	6,300	300
Use of money and property -interest earnings	12,000	11,532	(468)
Other revenue		6,339	6,339
Total revenues	<u>988,000</u>	<u>983,800</u>	<u>(4,200)</u>
<b>EXPENDITURES</b>			
General government - taxation:			
Current:			
Personal services and related benefits	705,000	705,534	(534)
Operating services	70,000	89,972	(19,972)
Travel and other charges	35,000	14,205	20,795
Capital outlay	25,000	25,250	(250)
Debt service		1,305	(1,305)
Total expenditures	<u>835,000</u>	<u>836,266</u>	<u>(1,266)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	153,000	147,534	(5,466)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>1,329,000</u>	<u>1,221,761</u>	<u>(107,239)</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$1,482,000</u></u>	<u><u>\$1,369,295</u></u>	<u><u>(\$112,705)</u></u>

The accompanying notes are an integral part of this statement.



WEBSTER PARISH ASSESSOR  
Minden, Louisiana  
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget  
(GAAP Basis) and Actual  
For the Year Ended December 31, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Taxes - ad valorem	\$770,000	\$763,117	(\$6,883)
Intergovernmental revenues - state grant - state revenue sharing	150,000	155,311	5,311
Fees, charges, and commissions for services	6,000	6,100	100
Use of money and property -interest earnings	15,000	18,141	3,141
Other revenue		1,427	1,427
Total revenues	<u>941,000</u>	<u>944,096</u>	<u>3,096</u>
<b>EXPENDITURES</b>			
General government - taxation:			
Current:			
Personal services and related benefits	705,000	745,066	(40,066)
Operating services	65,000	139,699	(74,699)
Travel and other charges	30,000	26,042	3,958
Capital outlay	40,000	35,125	4,875
Debt service		1,975	(1,975)
Total expenditures	<u>840,000</u>	<u>947,907</u>	<u>(107,907)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	101,000	(3,811)	(104,811)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>1,227,966</u>	<u>1,225,572</u>	<u>(2,394)</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$1,328,966</u></u>	<u><u>\$1,221,761</u></u>	<u><u>(\$107,205)</u></u>

The accompanying notes are an integral part of this statement.



**WEBSTER PARISH ASSESSOR**  
Minden, Louisiana

Notes to the Financial Statements  
As of and For the Two Years Ended December 31, 1999

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 term of four years, beginning January 1 following the year in which elected. 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 necessary for the efficient operation of his office and to 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.

At December 31, 1999, there are 133,818 real, movable, and public service assessment listings totaling \$155,919,110. For the year ended December 31, 1998, there were 110,450 real, movable, and public service assessment listings totaling \$126,231,380. This represents an increase of 23,368 assessment listings at December 31, 1999 and a decrease of 7,959 assessment listings at December 31, 1998. The total assessed valuation increased by \$29,687,730 for the year ended December 31, 1999, and decreased by \$17,640,835 for the year ended December 31, 1998.

**A. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Webster Parish Police Jury is the financial reporting entity for Webster Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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 (GASB) Statement No. 14 establishes criteria for determining which component units should be considered part of the Webster Parish Police Jury for financial reporting purposes. The basic criteria 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:

WEBSTER PARISH ASSESSOR

Minden, Louisiana

Notes to the Financial Statements (Continued)

1. Appointing a voting majority of an organization's governing body, and;
  - a. The ability of the police jury 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 police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
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 police jury maintains and operates the parish courthouse in which the assessor's office is located, the assessor was determined to be a component unit of the Webster Parish Police Jury, 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 police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The assessor's current operations require only the use of governmental funds (General Fund). Ad valorem tax revenue authorized by Act 17 of 1990, is accounted for in this fund. General operating expenditures are paid from this fund.

**C. GENERAL FIXED ASSETS  
AND LONG-TERM DEBT**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. Fixed assets provided by the police jury are not recorded in the general fixed assets account group. Approximately 87 per cent of fixed assets are valued at actual historical costs, based on the actual costs of like items, while the remaining 13 per cent are based on estimated historical costs.. No depreciation has been provided on general fixed assets. Long-term debt, such as capital leases, are recognized as a liability of a governmental fund only when due. The remaining portion of such debt is reported in the general long-term debt account group.

**D. BASIS OF ACCOUNTING**

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are 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. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The assessor uses the following practices in recognizing and reporting revenues and expenditures:



### **Revenues**

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, attached as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Fees for preparing tax rolls are recorded in the period in which they are earned.

Interest income on demand deposits is recorded monthly when the interest is earned and credited to the assessor's account.

Based on the above criteria, ad valorem taxes, state revenue sharing and fees for preparing tax rolls have been treated as susceptible to accrual.

### **Expenditures**

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

## **E. BUDGET PRACTICES**

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the assessor and amended during the year, as necessary. The budget is established and controlled by the assessor at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the assessor.

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

WEBSTER PARISH ASSESSOR  
 Minden, Louisiana  
 Notes to the Financial Statements (Continued)

**F. CASH**

Under state law, the assessor may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The assessor may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1999, the assessor has cash and cash equivalents (book balances) totaling \$591,613, as follows:

Demand deposits	\$167,037
Time deposits	<u>424,576</u>
Total	<u><u>\$591,613</u></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 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. Deposit balances (bank balances) at December 31, 1999, are secured as follows:

Bank balances	<u><u>\$602,980</u></u>
Federal deposit insurance	\$100,000
Pledged securities (uncollateralized)	<u>1,017,950</u>
Total	<u><u>\$1,117,950</u></u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the assessor, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106, however, 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 bank has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the assessor's name.

WEBSTER PARISH ASSESSOR

Minden, Louisiana

Notes to the Financial Statements (Continued)

**G. VACATION AND SICK LEAVE**

Employees of the assessor's office earn from 10 to 20 days of vacation leave each year, depending on length of service. Vacation leave must be taken in the year earned. *Employees earn 5 days of sick leave each year, plus one day of sick leave for each year of service.* Sick leave must may be accumulated, but lapses upon resignation or retirement.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a *current-year expenditure in the General Fund* when leave is actually taken.

**H. RISK MANAGEMENT**

The assessor is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the assessor maintains commercial insurance policies covering workmen's compensation and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the two years ended December 31, 1999.

**I. TOTAL COLUMN ON THE  
BALANCE SHEET**

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis (overview). 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. PRINCIPAL TAXPAYERS**

The following are the principal taxpayers for the parish and their 1999 assessed valuation:

WEBSTER PARISH ASSESSOR  
 Minden, Louisiana  
 Notes to the Financial Statements (Continued)

	1999 Assessed Valuation	Per cent of Total Assessed Valuation
International Paper Company	\$7,473,360	4.79%
Marathon Oil Company	5,082,840	3.26%
Entergy Services, Inc.	4,447,800	2.85%
Dukeenergy Field Services, Inc.	4,436,420	2.85%
Coastal Towing, Inc.	4,096,420	2.63%
Sonat Exploration Company	3,340,900	2.14%
Bellsouth Telecommunications	2,845,070	1.82%
Century Telephone of NW LA, Inc.	2,320,060	1.49%
Calumet Lubricants Company	2,136,720	1.37%
Kansas City Southern RR Company	2,072,220	1.33%
Total	<u>\$38,251,810</u>	<u>24.53%</u>

**3. RECEIVABLES**

The General Fund receivables of \$915,535 at December 31, 1999, are as follows:

<u>Class of Receivables</u>	
Taxes - ad valorem	\$811,970
Intergovernmental revenues - state grant - state revenue sharing (net)	103,215
Fees, charges, and commissions for services	<u>350</u>
Total	<u>\$915,535</u>

**4. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in offices furnishings and equipment follows:

Balance at January 1, 1998	\$174,043
For the year ended December 31, 1998:	
Additions	35,125
Deductions	(47,782)



WEBSTER PARISH ASSESSOR  
Minden, Louisiana  
Notes to the Financial Statements (Continued)

For the year ended December 31, 1999:	
Additions	\$25,250
Deductions	<u>(1,437)</u>
Balance at December 31, 1999	<u>\$185,199</u>

**5. PENSION PLAN**

Substantially all employees of the Webster Parish Assessor's office are members of the Louisiana Assessor's Retirement System (system), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and 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 per cent of their final-average salary for each year of credited service, not to exceed 100 per cent 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 report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessor's Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318) 425-4446.

Plan members are required by state statute to contribute 7.00 per cent of their annual covered salary and the Webster Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 5.75 per cent of annual covered payroll. Contributions to the system include one-fourth of one per cent (one per cent 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 Webster 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. The Webster Parish Assessor's contributions to the system for the years ending December 31, 1999, 1998, and 1997, were \$40,581, \$42,780, and \$31,673, respectively, equal to the required contributions for each year.

WEBSTER PARISH ASSESSOR  
 Minden, Louisiana  
 Notes to the Financial Statements (Continued)

**6. POST RETIREMENT BENEFITS**

The Webster 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 these benefits if they reach normal retirement age while working for the assessor. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the assessor. The assessor recognizes the cost of providing the benefits (assessor's cost of premiums) as an expenditure when the monthly premiums are paid. For the years ended December 31, 1999 and 1998, the total amount of premiums paid were \$62,539 and \$63,451, respectively, while the amounts paid for retirees totaled \$1,074 and \$1,074, respectively.

**7. CAPITAL LEASES**

The assessor records items under capital leases as an asset and an obligation in the accompanying financial statements. In September, 1995, the assessor entered into a lease-purchase agreement for the acquisition of a Toshiba Telephone System with 48 monthly payments of \$152 each. This lease expired in 1999.

The following is a summary of capital lease-purchase transactions for the two years ended December 31, 1999:

Capital lease-purchase payable at January 1, 1998	\$3,279
For the year ended December 31, 1998:	
Additions	NONE
Retirements	(1,975)
For the year ended December 31, 1999:	
Additions	NONE
Retirements	<u>(1,304)</u>
Capital lease-purchase payable at December 31, 1999	<u><u>NONE</u></u>

**8. OPERATING LEASES**

The assessor has operating leases of the following nature:

1. 1995 Chevrolet Extended Cab Pick-Up - 36 month operating lease beginning in June, 1995, with monthly payments of \$572. This lease expired in 1998.

WEBSTER PARISH ASSESSOR  
 Minden, Louisiana  
 Notes to the Financial Statements (Continued)

2. Canon Fax Machine and Canon Copy Machine - 36 month operating lease beginning in September, 1995, with monthly payments of \$328. This lease expired in 1998.
3. 1998 Chevrolet Suburban - 24 month operating lease beginning in September, 1997, with monthly payments of \$691. This lease expired in 1999.
4. 1998 Chevrolet Pick-Up - 24 month operating lease beginning in May, 1998, with monthly payments of \$655.
5. Minolta Equipment - 36 month operating lease beginning in July, 1999, with monthly payments of \$489.

The minimum annual commitments under noncancelable operating leases are as follows:

<u>Year</u>	<u>Payments</u>
2000	\$8,486
2001	5,868
2002	<u>2,934</u>
Total minimum annual commitments	<u><u>\$17,288</u></u>

**9. LITIGATION AND CLAIMS**

At December 31, 1999, the Webster Parish Assessor is involved in one lawsuit of which the outcome cannot be determined at this time. However, it is believed that an unfavorable outcome will not materially effect the financial statements.

**10. EXPENDITURES OF THE ASSESSOR'S OFFICE PAID BY THE POLICE JURY**

The Webster Parish Assessor's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4713, is paid by the Webster Parish Police Jury.

**Independent Auditor's Reports Required  
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.





## Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting

HONORABLE KERRY O. BURNS, CLA  
WEBSTER PARISH ASSESSOR  
Minden, Louisiana

I have audited the general purpose financial statements of the Webster Parish Assessor as of and for the two years ended December 31, 1999 ended and have issued my report thereon dated September 21, 2000. 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.

### Compliance

As part of obtaining reasonable assurance about whether the Webster Parish Assessor's financial statements are free of material misstatement, I 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 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 several instances of noncompliance that are required to be reported under *Government Auditing Standards*. Those findings are presented in the accompanying schedule of findings and questioned costs as findings 00-1 through 00-7.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Webster Parish Assessor's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over 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 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. I noted several matters

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WEBSTER PARISH ASSESSOR

Minden, Louisiana

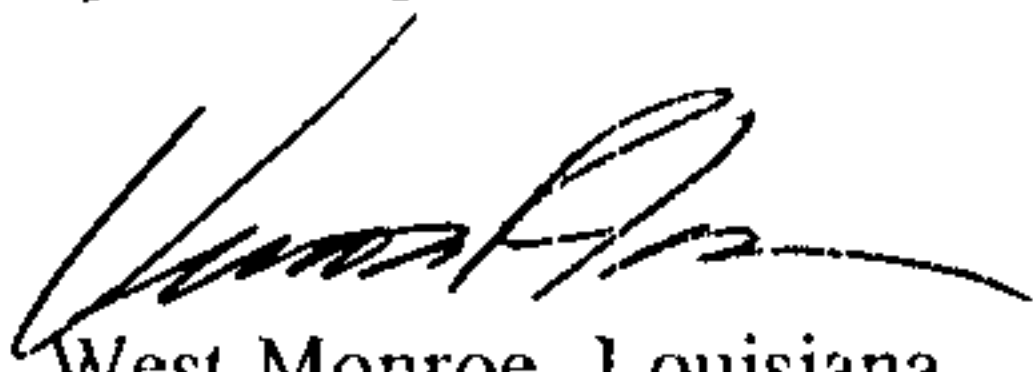
Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

December 31, 1999

involving the internal control over financial reporting and its operation that I consider to be material weaknesses as described in the accompanying schedule of findings and questioned costs as findings 00-8 through 00-9.

This report is intended solely for the information and use of the Webster Parish Assessor and management of the assessor's office and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to be 'V. A. ...', written over the typed name and date.

West Monroe, Louisiana

September 21, 2000

WEBSTER PARISH ASSESSOR  
Minden, Louisiana

Schedule of Findings and Questioned Costs  
For the Two Years Ended December 31, 1999

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report includes a disclaimer of opinion on the results of operations for the year ended December 31, 1998 and an unqualified opinion on the general purpose financial statements of the Webster Parish Assessor for the year ended December 31, 1999.
2. Seven instances of noncompliance material to the financial statements of Webster Parish Assessor were disclosed during the audit.
3. Two reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

**00-1 Violation of Audit Requirement**

**Finding:** The audit of the Assessor was not completed in a timely manner. Louisiana Revised Statute (LSA-RS) 24:513 requires that the audit be completed within six months of the close of the assessor's fiscal year. Because the assessor's accounting records were not maintained on a timely basis, as discussed in finding 00-9, the assessor was unable to provide financial records to the auditor in sufficient time for the audit to be completed within the prescribed period. Further, this was also a finding of my audit for the two years ended December 31, 1997.

**Recommendation:** In the future, the assessor should ensure that necessary records are available in sufficient time to ensure that audits are completed within the time period prescribed by state law.

**00-2 Failure to File Annual Report**

**Finding:** The assessor did not file an annual report with the Office of legislative Auditor for the year ended December 31, 1998. Louisiana Revised Statute 24:514 provides that



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the assessor file annual sworn financial statements with the Legislative Auditor within 90 days of the end of its fiscal year. Because of deficiencies in its accounting records, as discussed in my report on internal control, the assessor's accountant could not compile an annual report for 1998 and, consequently, did not file such as required by state law.

**Recommendation:** The assessor should ensure that adequate accounting records are maintained in order that an annual report can be prepared. Further, the assessor should verify that the annual report is filed within the prescribed time frame.

**00-3 Expenditures Should be Properly Supported**

**Finding:** During the test of expenditures, it noted that thirty or 30 per cent of the one hundred valid sample items tested were not supported by original invoices or other adequate documentation. The assessor can only incur expenditures that are directly related to his office and the function of his office (tax assessment). Because of the lack of supporting documentation, the assessor's office cannot show that all expenditures were in support of the tax assessment function and, consequently, proper expenditures of the office. This was also a finding in my audit report for the two years ended December 31, 1997.

**Recommendation:** In the future, the assessor should ensure that all disbursements are supported by original invoices or other forms of documentation, such as travel expense vouchers. In addition, all disbursements should be reconciled to the supporting documentation by someone other than the party preparing the check before the disbursement is made.

**00-4 Need to Comply With Local Government Budget Act**

**Finding:** The assessor did not comply with certain requirements of Louisiana Revised Statute LRS 39:1311 (A). For the year ended December 31, 1998, actual expenditures exceeded budgeted expenditures by more than 12 percent, consequently, violating the Local Government Budget Act which provides that an amendment be adopted when actual expenditures and other uses exceed budgeted amounts by 5 percent or more.

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**Recommendation:** The accountant should monitor the budget and prepare proposed amendments for the assessor's consideration when required.

**00-5 Failure to Deposit Payroll Taxes**

**Finding:** Payroll taxes were not filed as required by law. Internal Revenue Service regulations require that payroll taxes of the assessor's office be remitted within three business days of the issuance of payroll checks. Further, Louisiana Department of Revenue regulations require that state withholding taxes be remitted quarterly. My review of payroll transactions for 1998 disclosed that federal income, FICA and medicare tax withholdings and the employer's share of FICA and Medicare taxes were not remitted. At December 31<sup>st</sup>, there was approximately \$97,000 in unpaid federal payroll taxes. Likewise, state income tax withholdings were not remitted during the year and there was approximately \$14,000 in unpaid taxes at December 31<sup>st</sup>. My review of 1999 payroll transactions disclosed that while most federal taxes were remitted, state income taxes were not. My review also noted smaller discrepancies in other payroll deduct accounts. As a result of the above failures, at December 31, 1999, the assessor owed approximately \$135,000 in net payroll taxes. This amount does not include penalties and interest, which can be substantial.

As noted in finding 00-8, bank reconciliations were not performed during the two year audit period. Had the bookkeeper performed such reconciliations, the large difference between cash balances per the accounting records and adjusted bank statement cash balances would have been noted and investigation of this difference would have disclosed that payroll tax deductions had not been remitted.

**Recommendation:** The assessor should contact the Internal Revenue Service and the Louisiana Department of Revenue and Taxation concerning the unremitted taxes to determine the appropriate course of action. Further, he should take whatever action is necessary to ensure that payroll taxes are properly deducted, accounted for and remitted within required time frames.

**00-6 All Compensation Should be Reported**

**Finding:** Correct wages were not reported for some individuals. In reviewing 1998 payroll transactions several reporting discrepancies were noted. The accounting records reflected that the husband of the assessor's bookkeeper, who was also an employee of the office, received

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Schedule of Findings and Questioned Costs  
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\$47,846 in compensation for the year however, his IRS Form W-2 only reflected \$22,384. The accounting records reflected that the bookkeeper received \$66,550 in compensation while her Form W-2 reflected \$62,496. The accounting records showed the assessor's compensation as \$74,827 while his Form W-2 showed \$76,505.

I also noted that one individual receives \$100 per month for going to the post office and doing other things for the assessor's office. Internal Revenue Service regulations require that anyone receiving \$600 or more in a year be issued a Form 1099. The individual has not been issued such form.

**Recommendation:** The assessor should ensure that all forms W-2 for 1998 and 1999 agree with the payroll records. Any differences should result in the issuance of a corrected Form W-2 to the individual and the submission of corrected Forms W-3 and W-2. In the future the assessor should ensure that payroll reporting forms agree with the related payroll records. This could be done by having someone, other than the individual preparing the forms, verify that the forms and payroll amounts agree. Further, the assessor should ensure that individuals other than employees, receiving \$600 or more in a year are issued a Form 1099.

**00-7 Need to Maintain Support for Travel Expenditures**

**Finding:** Adequate support is not maintained for travel and related expenditures. Article VII, Section 14 of the Louisiana Constitution prohibits the assessor's office from donating anything of value to any individual. Therefore, the expenditure of funds for the assessor or employee of the assessor's office that is not for a public purpose or is not a proper expenditure of the assessor's office would be a violation of the constitution. My review of charges to travel and related expenditures disclosed that, for the year 1998, \$23,065, or 93% were not adequately supported. Charges to travel were discussed at the completion of my audit for 1996 and 1997 on July 2, 1998. Of the \$23,065 in unsupported expenditures for 1998, \$12,924 was paid after the completion of my audit for 1996 and 1997. For the year 1999, \$6,499, or 47% of travel expenditures were not adequately supported. Because the expenditures are not adequately supported, the assessor's office has not proof that the expenditures are proper expenditures of the office and are not a violation of the constitution.

**Recommendation:** The assessor should ensure that all charges to travel are supported by proper and sufficient documentation to demonstrate that they are proper expenditures of his office.



WEBSTER PARISH ASSESSOR  
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Schedule of Findings and Questioned Costs  
For the Two Years Ended December 31, 1999

**00-8 Need to Maintain Current Accounting Records**

**Finding:** A proper system of internal control requires the maintenance of current and accurate accounting records. As of May 23, 2000, the assessor's books for 1998 and 1999 had not been closed and the bookkeeper could not provide me with a general ledger or a cash receipts and disbursements ledgers. When I did receive receipts and disbursements ledgers for 1998, several problems were noted. Not all checks were posted to the ledger; some checks posted to the ledger were not distributed to expenditure accounts; duplicate check numbers were used and; some checks posted to the ledger never cleared the bank and should have (checks to employees, group insurance, sheriff, etc.) For the year ended December 31, 1999, all receipts were not posted to the general ledger. In addition, I noted that monthly bank reconciliations were not prepared during the two year audit period. Because of the condition of the accounting records, the bookkeeper did not know the financial condition of the agency at any point in time nor did the assessor have information necessary to control financial operations of his office. Further, because of the deficiencies in the 1998 accounting records, I could not obtain sufficient reliable information on which to base my opinion and it was necessary that I disclaim an opinion on the statement of revenues, expenditures and change in fund balance for the year ended December 31, 1998.

**Recommendation:** The assessor should do whatever is necessary to ensure that accurate and up to date accounting records are maintained. All transactions should be recorded as they occur and bank accounts should be reconciled monthly to the cash balance as reflected in the accounting records.

**00-9 Fund Balance Should Be Reconciled**

**Finding:** The beginning fund balance of the General Fund for the year ended December 31, 1998 did not agree with the December 31, 1997 ending fund balance. Because of the condition of the accounting records as noted in finding 00-8, I was unable to determine the cause of the difference. This was also a finding in my last audit report.

**Recommendation:** The assessor should ensure that the ending fund balance of any year agrees with the beginning fund balance of the ensuing year. Accurate and current accounting records should be maintained to ensure that any differences can be readily identified and corrected.

(Concluded)

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Schedule of Prior Year Findings  
For the Two Years Ended December 31, 1999

**97-1 Need to Report Expense Allowance on W-2**

**Finding:** The prior audit noted that the assessor's expense allowance was not reported as compensation to the Internal Revenue Service on his Form W-2 or on a Form 1099.

**Status:** Assessor's salary and expense allowance were reported on a Form W-2 for both 1998 and 1999.

**97-2 Violation of Audit Requirement**

**Finding:** The prior audit noted that the audit report was not completed and issued within six months of the agency's December 31<sup>st</sup> year end.

**Status:** The finding has not been corrected. See current finding 00-1.

**97-3 Need to Maintain Current Accounting Records**

**Finding:** The prior audit noted that the agency had not maintained current or accurate accounting records. The finding also noted that bank reconciliations had not been performed for the two years.

**Status:** The finding has not been corrected. See current finding 00-8.

**97-4 Fund Balance Should Be Reconciled**

**Finding:** The prior audit noted that the beginning fund balance for the year 1997, per agency records, did not agree with the year 1996 ending fund balance.

**Status:** The finding has not been corrected. See current finding 00-9.

(Continued)

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Schedule of Prior Year Findings  
For the Two Years Ended December 31, 1999

**97-5 Expenditures Should be Properly Supported**

**Finding:** The prior audit noted that expenditures were not adequately supported by an original invoice or other adequate documentation.

**Status:** The finding has not been corrected. See current finding 00-3.

(Concluded)



**KERRY O. BURNS, CLA**  
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**Webster Parish Assessor's Office**  
**Actions to be Taken**

- 00-1 After numerous computer problems still remaining from the previous audit, we encountered still more trying to set up and run the new program. We have now hired Carlos Martin, CPA to assist us with these tasks so that this will not be a problem in the future.
- 00-2 All annual reports will be filed and in a timely manner in the future. Mr. Martin will also assist us in the preparation and filing of this report.
- 00-3 In the future, all disbursements will be supported by original invoices or other forms of documentation. Also, the disbursements and supporting documentation will be verified by Carlos Martin, CPA along with the Assessor. We were not aware that statements were not sufficient and that all invoices should also accompany the statement. In the future, all checks will be supported by both.
- 00-4 In the future, the budget will be prepared correctly along with all necessary amendments. Carlos Martin, CPA will also assist with this to ensure that it is done correctly. We were under the assumption that the difference was overall---not separate for expenditures and revenues.
- 00-5 Mr. Martin is also taking care of contacting the Internal Revenue Service and ensuring that all taxes not submitted are deposited immediately. The Assessor signed and gave him, Carlos Martin, CPA, power of attorney to represent the office in this matter. We had signed up for electronic tax deposits and thought that they would be automatically deducted from the bank account. The failure to submit the state taxes was an error as well. They were submitted in full on February 3, 2000. We will take care of all of these problems and make sure that in the future all deposits are made for the correct amounts and on time.





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- 00-6 Corrected W-2s will be prepared and submitted immediately. This again was an error resulting from the problems we have had with the computer programs we have tried to use. It was simply a mistake and in no way intentional. It will be corrected immediately. In the future, we will try our best to be sure it does not happen again. We will also issue an amended or additional W-2 for the person who delivers/picks up our mail from the post office. And in the future, he will receive a W-2 for the compensation received for performing this service. Mr. Martin has also agreed to prepare and file the W-2's and W-3, ensuring that they agree with all accounting and payroll records.
- 00-7 All travel expenditures will be supported by proper and sufficient documentation to demonstrate that they are proper expenditures of this office in the future. As with all other expenditures, Carlos Martin and the Assessor will both approve all expenditures and ensure that proper documentation accompanies them.
- 00-8 Mr. Martin is assisting us in setting up new accounting programs and in addition, helping us to maintain them and keep them all up to date. He is installing and helping us to use and maintain QuickBooks. All transactions are entered as they occur and all bank accounts are reconciled monthly to the accounting records. The Assessor is given a copy of this reconciliation for approval monthly.
- 00-9 In the future, the ending fund balance of any year will agree with the beginning fund balance of the ensuing year. Because of the past condition of accounting records and software and the problems from the previous audit, we were unable to reconcile the difference in the fund balance. Mr. Martin says that all fund balances will be reconciled, present and hopefully, previous.