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ST. HELENA PARISH ASSESSOR
GREENSBURG, 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 this report has been submitted to the office of the parish clerk of court. The report is available for public inspection and the Parish Clerk of Court, where appropriate, at the office of the parish clerk of court.

Release Date _____

ST. HELENA PARISH ASSESSOR
Greensburg, 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 - 15
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	-	17 - 18
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS		
Findings and Recommendations	-	20
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	-	22



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

Member
American Institute of
Certified Public Accountants

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

Member
Society of Louisiana
Certified Public Accountants

May 17, 2000

INDEPENDENT AUDITOR'S REPORT

The Honorable Wesley Blades
St. Helena Parish Assessor
Post Office Box 607
Greensburg, LA 70441

We have audited the accompanying general purpose financial statements of the St. Helena Parish Assessor, Greensburg, Louisiana, a component unit of the St. Helena Parish Police Jury, as of December 31, 1999, and for the year then ended. These general purpose financial statements are the responsibility of the management of the St. Helena 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 St. Helena 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)

ST. HELENA PARISH ASSESSOR
Greensburg, Louisiana

EXHIBIT A

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

For the Year Ended December 31, 1999

<u>ASSETS</u>	Government Fund - <u>General Fund</u>	Account Group- General Fixed <u>Assets</u>	Total <u>(Memorandum Only)</u>	
			<u>1999</u>	<u>1998</u>
Cash and Cash Equivalents	\$ 31,913	\$ -	\$ 31,913	\$ 25,058
Investments	65,000	-	65,000	90,000
Ad Valorem Taxes Receivable	209,069	-	209,069	179,907
Receivable from Other Government	1,000	-	1,000	-
Prepaid Expenditures	3,431	-	3,431	4,170
Office Furniture & Equipment	<u>-</u>	<u>54,168</u>	<u>54,168</u>	<u>71,329</u>
TOTAL ASSETS	<u>\$310,413</u>	<u>\$ 54,168</u>	<u>\$364,581</u>	<u>\$370,464</u>
 <u>LIABILITIES</u>				
Accounts Payable	\$ 753	\$ -	\$ 753	\$ 273
Accrued Liabilities	<u>60</u>	<u>-</u>	<u>60</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 813</u>	<u>\$ -</u>	<u>\$ 813</u>	<u>\$ 273</u>
 <u>FUND EQUITY</u>				
Investments in General Fixed Assets	\$ -	\$ 54,168	\$ 54,168	\$ 71,329
Fund Balance, Unreserved - Undesignated	<u>309,600</u>	<u>-</u>	<u>309,600</u>	<u>298,862</u>
TOTAL FUND EQUITY	<u>\$309,600</u>	<u>\$ 54,168</u>	<u>\$363,768</u>	<u>\$370,191</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$310,413</u>	<u>\$ 54,168</u>	<u>\$364,581</u>	<u>\$370,464</u>

The accompanying notes are an integral part of this statement.

ST. HELENA PARISH ASSESSOR
Greensburg, Louisiana

EXHIBIT B

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

For the Year Ended December 31, 1999

	<u>General Fund</u>	
	<u>1999</u>	<u>1998</u>
<u>REVENUES:</u>		
Ad Valorem Taxes	\$210,042	\$193,732
Governmental Revenues:		
State Revenue Sharing	19,645	21,710
Preparation of Tax Receipts	1,241	3,236
Use of Property and Money - Interest Earnings	7,950	7,957
Other Revenues	<u>280</u>	<u>1,134</u>
TOTAL REVENUES	<u>\$239,158</u>	<u>\$227,769</u>
<u>EXPENDITURES:</u>		
General Government		
Personal Services and Related Benefits	\$205,101	\$185,514
Materials and Supplies	9,130	10,525
Operating Services	10,980	15,038
Travel and Other Charges	3,208	2,714
Capital Outlay	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$228,419</u>	<u>\$213,791</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 10,739	\$ 13,978
Fund Balance at Beginning of Year	<u>298,861</u>	<u>284,883</u>
Fund Balance at End of Year	<u>\$309,600</u>	<u>\$298,861</u>

The accompanying notes are an integral part of this statement.

ST. HELENA PARISH ASSESSOR
Greensburg, 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	\$201,780	\$210,042	\$ 8,262
Governmental Revenues:			
State Revenue Sharing	20,377	19,645	(732)
Preparation of Tax Receipts	1,236	1,241	5
Use of Property and Money -			
Interest Earnings	6,500	7,950	1,450
Other Revenues	<u>321</u>	<u>280</u>	<u>(41)</u>
TOTAL REVENUES	<u>\$230,214</u>	<u>\$239,158</u>	<u>\$ 8,944</u>
<u>EXPENDITURES:</u>			
General Government:			
Personal Services and Related Benefits	\$205,071	\$205,101	\$ (30)
Materials and Supplies	11,850	9,130	2,720
Operating Services	7,041	10,980	(3,939)
Travel and Other Charges	3,208	3,208	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$227,170</u>	<u>\$228,419</u>	<u>\$ (1,249)</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,044	\$ 10,739	\$ 7,695
Fund Balance at Beginning of Year	<u>298,861</u>	<u>298,861</u>	<u>-</u>
Fund Balance at End of Year	<u>\$301,905</u>	<u>\$309,600</u>	<u>\$ 7,695</u>

The accompanying notes are an integral part of this statement.

ST. HELENA PARISH ASSESSOR
Greensburg, 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
D. BASIS OF ACCOUNTING	8 - 9
E. BUDGET	9 - 10
F. CASH AND CASH EQUIVALENTS AND INVESTMENTS	10
G. FIXED ASSETS	10
H. COMPENSATED ABSENCES	10 - 11
I. TOTAL COLUMNS ON BALANCE SHEET	11
2. TAXABLE PROPERTIES AND LEVIED TAXES	11 - 12
3. CASH, CASH EQUIVALENTS AND INVESTMENTS	12 - 13
4. PREPAID EXPENDITURES	13
5. CHANGES IN GENERAL FIXED ASSETS	13
6. PENSION PLAN	13 - 14
7. EXPENDITURES OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS	14
8. INSURANCE	14
9. LITIGATION AND CLAIMS	15

ST. HELENA PARISH ASSESSOR
Greensburg, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the St. Helena 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 St. Helena Parish Police Jury is the financial reporting entity for St. Helena 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 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 St. Helena Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The St. Helena Parish Assessor is financially independent, other than certain immaterial operating expenditures of the Assessor's office that are paid or provided by the parish police jury. Also, the St. Helena Parish Assessor is an independently elected parish official, who is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

The financial statements of the St. Helena Parish Police Jury will not be misleading if the data of the St. Helena Assessor is not included. Accordingly,

ST. HELENA PARISH ASSESSOR
Greensburg, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

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 within the parish.

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 funds because they do not directly affect net expendable available financial resources.

Funds of the Assessor are classified as governmental funds. Governmental funds account for the Assessor's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets. Governmental funds of the Assessor include:

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 revenue authorized by Act 564 of 1989, are accounted for in this fund. General operating expenditures are paid from this fund.

General Fixed Assets Account Group

Fixed assets used in governmental fund operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the governmental fund. Fixed assets are valued at historical cost or estimated historical cost if historical cost is not available. No depreciation has been provided on general fixed assets.

The account group is not a fund. It is concerned only with the measurement of financial position and does not involve measurement of results of operations.

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

ST. HELENA PARISH ASSESSOR
Greensburg, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally 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. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

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

Compensation for taxing bodies for preparation of tax rolls and notices is recorded in the year ad valorem taxes are assessed. The compensation is generally received in January and February of the ensuing year.

State Revenue Sharing authorized by Act 37 of 1994, is disbursed by the State Treasurer to the parish Sheriff for distribution to the eligible taxing authorities. The Sheriff disburses the monies in three annual payments to the Assessor and because no due dates exists for receipt of these payments from the Sheriff, they are recorded when received.

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

Expenditures

Expenditures, including all salaries, office supplies and capital outlay are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGET

The Assessor prepares a budget at the beginning of each calendar/fiscal year based upon prior year expenditures and anticipated revenues for the budget year. The proposed budget was prepared on the modified accrual basis (GAAP) of accounting and was made available for public inspection. The budget of 1999 was formally adopted by the Assessor on November 15, 1998. The budget was amended twice, on March 17, 1999 and December 15, 1999. All appropriations lapse at year end.

Formal budget integration (within the accounting system) is not employed as a management control device. During the fiscal year, actual revenues and expenditures are compared to budgeted revenues and expenditures by the Assessor. If actual revenues are falling short of budgeted revenues by five percent or more or if actual expenditures to date plus projected expenditures for the remainder of the year exceed the budgeted expenditures by five percent or more, the

ST. HELENA PARISH ASSESSOR
Greensburg, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

original budget is amended by the Assessor. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. CASH AND 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. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

G. 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 St. Helena Parish Police Jury are not recorded within the fixed assets account group. Fixed assets are valued at historical cost.

H. 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 over five years of service earn fifteen days of annual leave each year. An employee can accumulate and carry over up to ten days of annual leave.

Should an employee leave the employ of the Assessor's office prior to the completion of a year, that employee will be paid for a maximum of twenty-five annual leave days based on time of service.

Each full-time employee of the St. Helena Parish Assessor's office shall accumulate one day of sick leave for each month that they remain in the employ of the Assessor's office but not to exceed a cumulative total of sixty days. Employees will not be paid for accumulated sick leave, and leave must be used for actual illness.

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

ST. HELENA PARISH ASSESSOR
Greensburg, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

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:

- i. The employees' rights to receive compensation are attributable to services already rendered.
- ii. 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:

- i. 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.
- ii. 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 received 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.

I. 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. TAXABLE PROPERTIES AND LEVIED TAXES

Total taxable property valuation was \$28,258,660 for the year ended December 31, 1999, an increase of \$2,162,540 of property value from 1998. This increase is due

ST. HELENA PARISH ASSESSOR
Greensburg, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

to increase in total assessed value in the parish, primarily attributable to new businesses and business consolidations. The authorized millage of 7.46 was levied in 1999, the same millage as levied in 1998. The following are the principal taxpayers for the parish (amounts expressed in thousands):

<u>Taxpayer</u>	<u>Business Type</u>	<u>1999 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Transcontinental Gas Pipeline Corporation	Public Utility	\$ 3,362	11.90%
Dixie Electric Membership Coop	Public Utility	1,955	6.90%
Century Telephone of East LA	Public Utility	1,890	6.70%
Florida Gas Transmission	Public Utility	1,878	6.60%
Entergy Gulf States, Inc.	Public Utility	1,617	5.70%
Denkman Associates	Timber Company	1,458	5.20%
Capline System	Public Utility	1,240	4.40%
Bank of Greensburg	Banking	899	3.20%
Weyerhaeuser Company	Timber Company	846	3.00%
Colonial Pipeline Company	Public Utility	788	2.80%
Amerchol Corporation	Manufacturing	632	2.20%
Cabot Oil and Gas Corp.	Oil Company	<u>526</u>	<u>1.90%</u>
		<u>\$ 17,091</u>	<u>60.50%</u>

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

At December 31, 1999, the Assessor has cash and cash equivalents (book balances) totaling \$31,913 as follows:

Demand Deposits	\$ 844
Interest-Bearing Demand Deposits	<u>31,069</u>
Total	<u>\$ 31,913</u>

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 \$41,401 in collected bank balances, and \$65,000 in a certificate of deposit, totaling \$106,401. These deposits were secured from risk by \$100,000 of Federal deposit insurance, and pledged securities of \$200,000 held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

ST. HELENA PARISH ASSESSOR
Greensburg, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

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. **PREPAID EXPENDITURES**

As of December 31, 1999, prepaid expenditures consisted of unexpired insurance premiums for \$598, January, 2000 rent for \$400 and January 1, 2000 group insurance for \$2,433. The rent and group insurance were due on January 1, 2000 and paid on December 30, 1999.

5. **CHANGES IN GENERAL FIXED ASSETS**

General fixed assets consist of furniture, equipment and a vehicle. A summary of changes in general fixed assets follows:

Balance, January 1, 1999	\$ 71,329
Adjustments	(9,293)
Additions	-
Deletions	<u>(7,868)</u>
Balance, December 31, 1999	<u>\$ 54,168</u>

Adjustment is to agree books with physical inventory count as of December 31, 1999, and is related to previous years of obsolete equipment and fixtures that were never properly deleted. Deletions are current year identifiable broken and obsolete property.

6. **PENSION PLAN**

Plan Description. Substantially all employees of the St. Helena Parish Assessor's office are members of the Louisiana Assessor's Retirement Fund 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 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

ST. HELENA PARISH ASSESSOR
Greensburg, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

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.

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 (225)928-8886.

Plan members are required by state statute to contribute 7.0 percent of their annual covered salary and the St. Helena Parish Assessor is required to contribute at an actuarially determined rate. The current rate, at December 31, 1999, is 5.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the St. Helena 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 St. Helena Parish Assessor's contributions to the System for the years ended December 31, 1999, 1998, and 1997 were \$9,153, \$8,168, and \$6,398, respectively, equal to the required contributions for each year.

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

The St. Helena Parish Police Jury pays all utility expenses for the Assessor's office and these expenses are not included in the accompanying financial statements. The St. Helena Parish Assessor has determined this amount to be immaterial to the operation of the Assessor's office.

8. INSURANCE

As of December 31, 1999, the St. Helena Parish Assessor appears to have adequate liability and casualty insurance, as follows:

<u>Company</u>	<u>Type</u>	<u>Amount</u>	<u>Term</u>
Progressive	Auto Liability	\$750,000	05/20/99-05/20/00
Northland	Office Property	\$ 50,000	06/30/99-06/30/00
Western Surety	Bond, Assessor	\$ 10,000	11/15/99-11/15/00
Western Surety	Bond, Chief Deputy	\$ 10,000	01/18/99-01/18/00

ST. HELENA PARISH ASSESSOR
Greensburg, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 1999

9. LITIGATION AND CLAIMS

The former St. Helena Parish Assessor, Chaney L. Phillips has filed a petition for additional compensation and wages in proceedings entitled *Chaney L. Phillips vs. Wesley Blades in his capacity as Assessor for St. Helena Parish*, bearing number 16,393 on the docket of the 21st Judicial District Court in and for the Parish of St. Helena. Chaney L. Phillips is seeking \$7,266 plus legal interest from the date of the filing of this petition on January 25, 1999 and all costs associated with the filing of this petition. In opinion number 97-368, the Louisiana Attorney General's Office has stated that these wages are not due Chaney L. Phillips. Accordingly, it is unlikely that Chaney L. Phillips will be successful in this proceeding. If he were successful, the funds recovered would be used to offset a portion of the restitution that is due the Assessor's office by Chaney L. Phillips, in the amount of \$33,223, as determined by the United States District Court in *United States v. Emerson C. Newman and Chaney L. Phillips*, on April 21, 1998.

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



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HAMMOND, LA • AMITE, LA

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

Charles D. Mathews, CPA
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Charles F. Dismukes, Jr., CPA

Member
American Institute of
Certified Public Accountants

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May 17, 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 Wesley Blades
ST. HELENA PARISH ASSESSOR
Post Office Box 607
Greensburg, Louisiana 70441

We have audited the general purpose financial statements of the St. Helena Parish Assessor, Greensburg, Louisiana, a component unit of the St. Helena Parish Police Jury, as of and for the year ended December 31, 1999, and have issued our report thereon dated May 17, 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 St. Helena 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 St. Helena 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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect St. Helena Parish Assessor's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying Corrective Action Plan for Current Year Audit Findings, as items 99-1 and 99-2.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe one of the above-referenced reportable items to be a material weakness, specifically item number 99-1, Corrective Action Plan for Current Year Auditing Findings.

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,



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

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

ST. HELENA PARISH ASSESSOR
Greensburg, 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>
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Section I - Internal Control and Compliance Material to the Financial Statements:

- | | | | | |
|------|--|---|-----------|------------|
| 99-1 | Savings deposits did not have adequate documentation to verify the nature of the funds deposited, for first four months of 1999. | All "bank endorsed" deposit slips are being filed with attached copies of checks deposited, together with any other relevant documentation. | W. Blades | May, 1999 |
| 99-2 | Savings account was not reconciled by the Assessor's staff on a consistent basis, for first three months of 1999. | Savings account are now being reconciled quarterly when bank statements are received. | W. Blades | June, 1999 |

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:

ST. HELENA PARISH ASSESSOR
Greensburg, Louisiana

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 1999

Ref #	Fiscal Year Findings Initially Occurred	Description of Findings	Corrective Action Taken	Plan Corrective Action Partial Corrective Action Taken	Additional Explanation
98-1	12/31/96	Lack of segregation of duties consistent with appropriate control objectives.	Yes	W. Blades, Assessor, took office Nov., 1997 was reorganizing staff and office procedures in 1998.	N/A
98-2	12/31/97	Bank reconciliations were being prepared by same deputy that records receipts and disbursements.	Yes	Chief Deputy prepared bank reconciliations for the checking account for 1998, but not the savings account.	N/A
98-3	12/31/98	Savings deposits did not have adequate documentation to verify the nature of the funds deposited.	Yes	All "bank endorsed" deposit slips are filed with attached copies of checks deposited, together with any other relevant documentation, beginning May, 1999.	N/A
98-4	12/31/98	Savings account was not reconciled by the Assessor's staff on a consistent basis.	Yes	Savings account is reconciled quarterly beginning June, 1999.	N/A
98-5	12/31/98	Medicare tax was not withheld and paid on employees as required by the IRS.	Yes	Medicare tax is being withheld, matched by Assessor, and submitted as required by the IRS.	N/A