

RICHLAND PARISH ASSESSOR
Rayville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended December 31, 1996

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, 1996, there are 37,054 real, movable and public service assessment listings totaling \$35,255,990, \$15,380,160, and \$14,124,130 respectively. This represents a increase of 2,638 assessment listings. The total assessed valuation increased by \$5,484,040.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Richland Parish Police Jury is the financial reporting entity for Richland 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 Richland 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:

1. Appointing a voting majority of an organization's governing body,
and;

RICHLAND PARISH ASSESSOR
Rayville, 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, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes - ad valorem	\$300,000	\$301,935	\$1,935
Intergovernmental revenues - fire district fees	6,000	7,144	1,144
Fees, charges, and commissions for services	3,200	3,835	635
Use of money and property - interest earnings	4,000	3,634	(366)
Total revenues	<u>313,200</u>	<u>316,548</u>	<u>3,348</u>
EXPENDITURES			
General government - taxation:			
Current:			
Personal services and related benefits	260,000	248,433	11,567
Operating services	31,000	24,316	6,684
Materials and supplies	8,000	10,192	(2,192)
Travel and other charges	9,000	6,861	2,139
Debt service	1,400	3,199	(1,799)
Capital outlay	5,000	3,544	1,456
Total expenditures	<u>314,400</u>	<u>296,545</u>	<u>17,855</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(1,200)	20,003	21,203
OTHER FINANCING SOURCE			
Proceeds from lease purchase		<u>3,070</u>	<u>3,070</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	(1,200)	23,073	24,273
FUND BALANCE AT BEGINNING OF YEAR	<u>261,433</u>	<u>286,470</u>	<u>25,037</u>
FUND BALANCE AT END OF YEAR	<u>\$260,233</u>	<u>\$309,543</u>	<u>\$49,310</u>

The accompanying notes are an integral part of this statement.

RICHLAND PARISH ASSESSOR
Rayville, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet, December 31, 1996

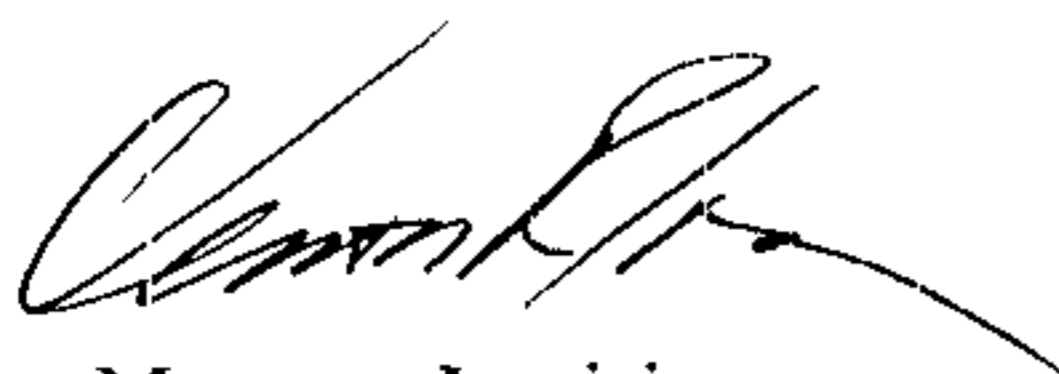
	GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS			
Cash	\$118,293		\$118,293
Receivable - ad valorem taxes	194,297		194,297
Security deposit - automobile	425		425
Office furnishings and equipment		\$61,024	61,024
TOTAL ASSETS	\$313,015	\$61,024	\$374,039
LIABILITIES AND FUND EQUITY			
Liabilities - accounts payable	\$2,157		\$2,157
Lease purchase payable	1,315		1,315
Total liabilities	3,472	NONE	3,472
Fund Equity:			
Investment in general fixed assets		\$61,024	61,024
Fund balance - unreserved - undesignated	309,543		309,543
Total Fund Equity	309,543	61,024	370,567
TOTAL LIABILITIES AND FUND EQUITY	\$313,015	\$61,024	\$374,039

The accompanying notes are an integral part of this statement.

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

HONORABLE KATHY COENEN, CLA
RICHLAND PARISH ASSESSOR
Rayville, Louisiana
Independent Auditor's Report,
December 31, 1996

In accordance with *Government Auditing Standards*, I have also issued a report dated April 10, 1997 on my consideration of the Richland Parish Assessor's internal control structure and a report dated April 10, 1997 on the assessor's compliance with laws and regulations.



West Monroe, Louisiana
April 10, 1997

RICHLAND PARISH ASSESSOR
Rayville, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 1996

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RICHLAND PARISH ASSESSOR
Rayville, Louisiana
Notes to the Financial Statements (Continued)

- 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 Richland 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

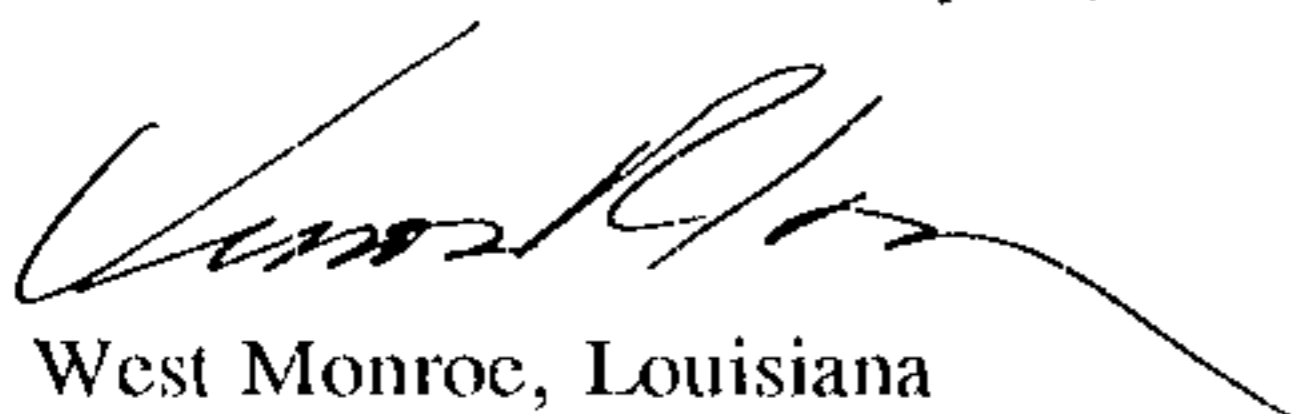
HONORABLE KATHY COENEN, CLA
RICHLAND PARISH ASSESSOR

Rayville, Louisiana
Independent Auditor's Report on
Internal Control Structure,
December 31, 1996

In planning and performing my audit of the general purpose financial statements of the Richland Parish Assessor for the year ended December 31, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

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

This report is intended for the information of the Richland Parish Assessor. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
April 10, 1997



Independent Auditor's Report

HONORABLE KATHY COENEN, CLA
RICHLAND PARISH ASSESSOR
Rayville, Louisiana

I have audited the general purpose financial statements of the Richland Parish Assessor, a component unit of the Richland Parish Police Jury, as of December 31, 1996, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Richland Parish Assessor's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Richland Parish Assessor as of December 31, 1996, and the results of operations for the year then ended in conformity with generally accepted accounting principles.

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LOUISIANA 71291
PHONE 318.325.2121
TOLL FREE LOUISIANA
1.800.541.5020
FAX 318.324.1630

RICHLAND PARISH ASSESSOR

Rayville, Louisiana

Notes to the Financial Statements (Continued)

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 91 per cent of fixed assets are valued at actual historical costs based on the actual costs of like items while the remaining 9 per cent are based on estimated historical costs. 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. The assessor has no long-term debt at December 31, 1996.

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:

RICHLAND PARISH ASSESSOR
Rayville, Louisiana
Notes to the Financial Statements (Continued)

Revenues

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach 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 year prepared. Interest income on time deposits is recorded when the time deposits have matured. Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Based on the above criteria, ad valorem taxes 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.

RICHLAND PARISH ASSESSOR
 Rayville, 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, 1996, the assessor has cash (book balances) totaling \$118,293.

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 deposits 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, 1996 are secured as follows:

Bank balances	<u>\$126,123</u>
Federal deposit insurance	100,000
Pledges securities (uncollateralized)	<u>300,000</u>
Total	<u>\$400,000</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.

G. VACATION AND SICK LEAVE

After one year of service, employees of the assessor's office receive two weeks of vacation leave each year. Vacation leave must be taken in the year earned. Sick leave is granted on an individual basis at the discretion of the assessor. At December 31, 1996, there are no accumulated and vested benefits relating to vacation and sick leave.

**H. 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. LEVIED TAXES

As provided by Louisiana Revised Statute 47:1925, the assessor is authorized to levy an ad valorem tax in lieu of pro rata deductions from ad valorem taxing authorities. The authorized millage should be an amount necessary to provide no less ad valorem taxes than that received by the assessor in the initial year. For the year ended December 31, 1996, the Richland Parish Assessor levied 6.71 mills to provide funding for her office.

The following are the principal taxpayers for the parish and their 1996 assessed valuation:

	<u>1996 Assessed Valuation</u>	<u>Per cent of Total Assessed Valuation</u>
Entergy Louisiana, Inc	\$2,389,420	3.69%
ANR Pipeline Co.	2,484,500	3.84%
Bellsouth Telecomm., Inc	2,166,510	3.35%
Noram Gas Trans., Co	1,945,410	3.00%
Tifton Aluminum Co.	1,894,880	2.93%
Richland State Bank	1,318,900	2.04%
First Republic Bank	864,660	1.34%
American Tel. & Tel. Co.	658,260	1.02%
Black Clawson Co., Inc.	746,450	1.15%
Rayville Compress & Hardware	<u>702,610</u>	<u>1.08%</u>
Total	<u>\$15,171,600</u>	<u>23.44%</u>

RICHLAND PARISH ASSESSOR

Rayville, Louisiana

Notes to the Financial Statements (Continued)

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in offices furnishings and equipment follows:

Balance at January 1, 1996	\$57,480
Additions	3,544
Deletions	<u>NONE</u>
Balance at December 31, 1996	<u>\$61,024</u>

4. PENSION PLAN

Substantially all employees of the Richland 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 Richland Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 6.00 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 Richland 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.

RICHLAND PARISH ASSESSOR

Rayville, Louisiana

Notes to the Financial Statements (Continued)

The Richland Parish Assessor's contributions to the system for the years ending December 31, 1996, 1995, 1994, were \$9,895, \$10,918, and \$11,666, respectively, equal to the required contributions for each year.

5. POST RETIREMENT BENEFITS

The Richland Parish Assessor provides certain continuing health care and life insurance benefits for 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 these benefits (the assessor's cost of premiums) as an expenditure when paid during the year. For the year ended December 31, 1996, the total cost of health and life insurance premiums for the assessor was \$31,764. Of this amount, \$3,470 was for retiree benefits.

6. LITIGATION AND CLAIMS

At December 31, 1996, the Richland Parish Assessor is not involved in any litigation nor is she aware of any unasserted claims.

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

The Richland 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 Richland Parish Police Jury.



**Independent Auditor's Report on
Compliance With Laws and Regulations**

HONORABLE KATHY COENEN, CLA
RICHLAND PARISH ASSESSOR
Rayville, Louisiana

I have audited the general purpose financial statements of the Richland Parish Assessor, a component unit of the Richland Parish Police Jury, as of December 31, 1996, and for the year then ended, and have issued my report thereon dated April 10, 1997.

I conducted my audit in accordance with generally accepted auditing standards; *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. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws and regulations applicable to the Richland Parish Assessor is the responsibility of the Richland Parish Assessor's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Richland Parish Assessor's compliance with certain provisions of laws and regulations. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

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

This report is intended for the information of the Richland Parish Assessor. This is not intended to limit the distribution of this report, which is a matter of public record.

West Monroe, Louisiana
April 10, 1997

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**RICHLAND PARISH ASSESSOR
Rayville, Louisiana**

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 1996**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 APR 30 1997

**VERNON R
COON**
CERTIFIED PUBLIC ACCOUNTANT

**Independent Auditor's Reports on
Compliance with Laws and Regulations
and Internal Control Structure**

The following independent auditor's reports on compliance with laws and regulations and internal control structure are 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.