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*Financial Report*

*St. Bernard Parish Assessor*

*December 31, 1996*

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Release Date JUL 23 1997

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December 31, 1996

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Bourgeois Bennett

## INDEPENDENT AUDITOR'S REPORT

To the St. Bernard Parish Assessor,  
Chalmette, Louisiana.

We have audited the accompanying general purpose financial statement of the St. Bernard Parish Assessor (the Assessor), as of and for the year ended December 31, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the Assessor. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Governmental 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 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 the Assessor, as well as evaluating the overall general purpose 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. Bernard Parish Assessor as of December 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 4, 1997, on our consideration of the St. Bernard Parish Assessor's internal control structure and a report dated June 4, 1997 on its compliance with laws and regulations.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, La.,  
June 4, 1997.

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**COMBINED BALANCE SHEET -  
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP**

**St. Bernard Parish Assessor**

December 31, 1996

	<u>Governmental Fund-Type General</u>	<u>Account Group General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
<b>Assets</b>			
Cash	\$ 291,565		\$ 291,565
Receivables - ad valorem taxes	41,166		41,166
Due from St. Bernard Parish Sheriff	265,412		265,412
Due from State of Louisiana	15,976		15,976
Other	771		771
Fixed assets		\$ 80,440	80,440
 Total assets	 \$ 614,890	 \$ 80,440	 \$ 695,330
<b>Fund Equity and Other Credits</b>			
Investment in general fixed assets		\$ 80,440	\$ 80,440
Fund balance - unreserved	\$ 614,890		614,890
 Total fund equity and other credits	 \$ 614,890	 \$ 80,440	 \$ 695,330

See notes to financial statements.

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

**St. Bernard Parish Assessor**

For the year ended December 31, 1996

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Ad valorem taxes	\$ 267,000	\$ 311,455	\$ 44,455
Intergovernmental - State of Louisiana - state revenue sharing	13,924	21,902	7,978
Use of money and property - interest earnings	16,300	16,734	434
Other revenue		800	800
<b>Total revenues</b>	<u>297,224</u>	<u>350,891</u>	<u>53,667</u>
<b>Expenditures</b>			
General government:			
Personal services	190,484	190,896	(412)
Operating services	52,330	44,442	7,888
Materials and supplies	9,500	8,444	1,056
Travel and other charges	7,600	8,285	(685)
Capital outlay	5,810	8,821	(3,011)
<b>Total expenditures</b>	<u>265,724</u>	<u>260,888</u>	<u>4,836</u>
<b>Excess Of Revenues Over Expenditures</b>	31,500	90,003	58,503
<b>Fund Balance</b>			
Beginning of year	<u>524,887</u>	<u>524,887</u>	
End of year	<u>\$ 556,387</u>	<u>\$ 614,890</u>	<u>\$ 58,503</u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****St. Bernard Parish Assessor**

December 31, 1996

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the assessors are elected by the voters of each parish, Orleans Parish excepted, and serve terms of four years. The assessors assess property, prepare tax rolls, and submit the rolls to the Louisiana Tax Commission as prescribed by law.

The assessor's office is located in the St. Bernard Parish Courthouse in Chalmette, Louisiana. In accordance with Louisiana law, the assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission, as prescribed by law. Once the assessment listing is approved, the assessor submits the assessment roll to the parish tax collector, who is responsible for the collection and distribution of taxes to the various taxing bodies.

At December 31, 1996, there are 25,998 real property and movable property assessments totaling \$154,338,115 and \$112,065,201, respectively. This represents an increase of 267 assessments totaling \$22,218,859 over the prior year, caused primarily by an increase in assessment to Mobil Oil Corp. for significant additions to their plant, as well as the increasing number of new businesses in the parish during the year.

The accounting policies of the St. Bernard Parish Assessor (the Assessor) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of significant accounting policies:

**a) Reporting Entity**

The Parish Assessor is a separately elected official and is not included as a component unit in any other financial statements. The activities of the Assessor have been reviewed and it was determined that there are no potential component units which should be included in the Assessor's general purpose financial statements.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Fund Accounting**

The government 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. An account group, on the other hand, 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.

**Governmental Funds**

Governmental Funds are those through which most governmental functions of the Assessor are financed. The acquisition, use and balances of the Assessor's expendable financial resources and the related liabilities are accounted for through a Governmental Fund. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the Assessor:

**General Fund**

The General Fund is the general operating fund of the Assessor. It is used to account for all financial resources except those that are required to be accounted for in another fund.

**Account Group**

The General Fixed Assets Account Group is used to account for fixed assets not accounted for in proprietary or trust funds.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**c) Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes are assessed for the calendar year and become due on December 31 of each year. Ad Valorem tax revenue authorized by Act 292 of 1985 is accounted for in this fund. State revenue sharing is an arrangement whereby local governments are reimbursed by the State for ad valorem taxes not billed due to the homestead exemption. The Assessor recognized revenue from state revenue sharing of \$21,902 for the year ended December 31, 1996. Interest income on investments is recorded when the investments have matured and the income is available.

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

**d) Operating Budgetary Data**

As required by the Louisiana Revised Statutes 39:1303, the Parish Assessor adopted a budget for its General Fund. The budgetary practices included public notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures at the functional level must be approved by the Assessor. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with generally accepted accounting principles.



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Bad Debts**

The general purpose financial statements of the Assessor contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the General Fund.

**f) General Fixed Assets**

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All Governmental Funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Fixed assets with an estimated historical cost amounted to approximately \$30,000 or 38% of the total general fixed assets. Donated fixed assets are valued at their estimated fair value on the date donated.

The General Fixed Asset Account Group is not a "fund." It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**g) Vacation and Sick Leave**

Employees of the Assessor's office earn two to three weeks of vacation leave each year, depending on their years of service. Vacation leave cannot be carried forward to succeeding years. There is no formal policy regarding sick leave.

The cost of leave privileges, which was computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken. At December 31, 1996, there are no accumulated and vested benefits relating to compensated absences.

**h) Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the Assessor.

**i) Total Column on Combined Statements - Overview**

The total column on the combined statements - overview is captioned memorandum only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Note 2 - LEVIED TAXES**

The following is a summary of authorized and levied ad valorem taxes for the year:

	Authorized <u>Millage</u>	Levied <u>Millage</u>
Assessor	1.92	1.92

**Note 2 - LEVIED TAXES (Continued)**

The following are the principal taxpayers for the parish with assessed valuation in excess of \$3 million:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>1996 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Mobil Oil Corp.	Oil	\$37,722,185	14.2%
Murphy Oil Co.	Oil	17,925,899	6.7%
Entergy Louisiana, Inc.	Utility	6,151,155	2.3%
Bell South Telecommunications	Utility	5,959,213	2.2%
Domino Sugar	Sugar	5,779,711	2.2%
Total Minatome Co.	Oil	3,945,912	1.5%
Southern Natural Gas Co.	Utility	<u>3,858,080</u>	<u>1.4%</u>
Totals		<u>\$81,342,155</u>	<u>30.5%</u>

**Note 3 - CASH**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

During the year the Assessor's investments consisted solely of interest-bearing demand deposits. The Assessor's cash in excess of the FDIC insurance are collateralized by securities held by an unaffiliated bank in the name of the financial institution pledged to the Assessor.

**Note 4 - DUE FROM ST. BERNARD PARISH SHERIFF**

Amounts due from the St. Bernard Parish Sheriff at December 31, 1996 consisted of ad valorem taxes collected by the St. Bernard Parish Sheriff in December 1996 but not remitted to the Assessor until the beginning of the following year.

**Note 5 - DUE FROM STATE OF LOUISIANA - STATE REVENUE SHARING**

State revenue sharing is an arrangement whereby local governments are reimbursed by the State for ad valorem taxes not billed due to the homestead exemption. The Assessor recognized revenue from state revenue sharing of \$21,902 for the year ended December 31, 1996. Receivable for state revenue sharing for the year ended 1996 was \$15,976.

**Note 6 - CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets (office furnishings and equipment) follows:

Balance, January 1, 1996	\$ 89,771
Additions	8,821
Deductions	<u>(18,152)</u>
Balance, December 31, 1996	<u>\$80,440</u>

**Note 7 - DEFINED BENEFIT PENSION PLAN**

**Plan Description** - The St. Bernard Parish Assessor (the Assessor) contributes to the Louisiana Assessors' Retirement Fund (System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS), which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 91 of the 1950 Louisiana Legislative Session established the plan. Provisions of the plan are set forth in the Louisiana Revised Statutes 11:1401 through 11:1483. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Louisiana Assessors' Retirement Fund, P.O. Box 1786, Shreveport, Louisiana, 71166-1786.

**Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)**

**Funding Policy** - Plan members are required to contribute 7.00% of their annual salary and the Assessor is required to contribute at an actuarially determined rate. The current rate is 5.50% of annual payroll. In addition, the fund receives .25% of the taxes shown to be collected on the tax rolls of each parish excluding Orleans and revenue sharing funds as appropriated each year by the legislature. The Assessor's contributions to the System for the years ending December 31, 1996, 1995 and 1994 were \$8,151, \$10,599 and \$12,568, respectively, equal to the required contributions for each year.

**Note 8 - EXPENDITURES OF THE ASSESSOR NOT INCLUDED IN THE ACCOMPANYING FINANCIAL STATEMENTS**

The accompanying financial statements do not include certain expenditures of the assessor's office paid out of the funds of the parish council.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF THE GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the St. Bernard Parish Assessor,  
Chalmette, Louisiana.

We have audited the general purpose financial statements of the St. Bernard Parish Assessor (the Assessor) as of and for the year ended December 31, 1996, and have issued our report thereon dated June 4, 1997.

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

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

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

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

**Condition** - The limited number of employees of the Assessor's office precludes an adequate segregation of duties and other features of an adequate system of internal accounting control.

**Recommendation** - We recommend the Assessor consider having other personnel involved in the system for control purposes, although to employ such controls may not be cost beneficial.

**Response** - The Assessor's office has neither the qualified personnel nor the funds to hire additional personnel to assist in the accounting functions.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not a material weakness.



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

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, La.,  
June 4, 1997.



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE**  
**BASED ON AN AUDIT OF THE GENERAL PURPOSE**  
**FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE**  
**WITH GOVERNMENT AUDITING STANDARDS**

To the St. Bernard Parish Assessor,  
Chalmette, Louisiana.

We have audited the general purpose financial statements of St. Bernard Parish Assessor (the Assessor) as of and for the year ended December 31, 1996, and have issued our report thereon dated June 4, 1997.

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

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

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

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

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, La.,  
June 4, 1997.