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VERMILION PARISH ASSESSOR
ABBEVILLE, LOUISIANA

FINANCIAL REPORT

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 JUN 18 1997

VERMILION PARISH ASSESSOR

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET
(GAAP BASIS) AND ACTUAL - GENERAL FUND
Year Ended December 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Taxes:			
Ad valorem	\$358,350	\$372,150	\$ 13,800
Intergovernmental:			
Preparation of tax notices	9,200	10,337	1,137
State revenue sharing	35,000	23,334	(11,666)
Interest	5,000	19,295	14,295
Other	<u>-</u>	<u>3,154</u>	<u>3,154</u>
Total revenues	<u>\$407,550</u>	<u>\$428,270</u>	<u>\$ 20,720</u>
Expenditures:			
Current:			
General government - taxation:			
Salaries and related expenditures	\$337,327	\$303,813	\$ 33,514
Operating services	21,900	27,300	(5,400)
Materials and supplies	16,475	16,026	449
Travel and related expenditures	21,216	16,275	4,941
Capital outlays	5,000	230	4,770
Debt service:			
Principal	2,124	-	2,124
Interest	<u>1,476</u>	<u>-</u>	<u>1,476</u>
Total expenditures	<u>\$405,518</u>	<u>\$363,644</u>	<u>\$ 41,874</u>
Excess of revenues over expenditures	\$ 2,032	\$ 64,626	\$ 62,594
Fund balance, beginning	606,031	606,031	-
Prior period adjustment	<u>-</u>	<u>(365,018)</u>	<u>(365,018)</u>
Fund balance, ending	<u>\$608,063</u>	<u>\$305,639</u>	<u>\$(302,424)</u>

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Note 6. Taxes Receivable and Deferred Revenue

Deferred revenue is the expected amount of ad valorem taxes to be collected for the tax roll issued in November, 1996, less an expected 2% reserve, based on prior years' collection experience. Ad valorem taxes receivable are the corresponding offset for the amounts billed, less any amount collected in December.

Note 7. Expenses of the Assessor Not Included in the Financial Statements

Certain operating expenses of the Assessor's office are paid by the Vermilion Parish Police Jury (the "Jury."). They are:

1. Office space, equivalent to rent, is furnished by the Jury.
2. Utility bills are paid by the Jury.
3. The Assessor's office has the use of miscellaneous office furniture owned by the Jury.

Note 8. Prior Period Adjustment

The Assessor has elected to treat ad valorem taxes as revenue in the year following the year of the levy. This method is a generally accepted method. The Assessor believes the change will provide for a more accurate matching of revenues and expenditures.

NOTES TO FINANCIAL STATEMENTS

Note 3. Operating Lease

At December 31, 1996 the following obligations remain regarding the operating lease obligation of the Assessor for a vehicle:

<u>YEAR</u>	<u>AMOUNT</u>
1997	\$ 3,600
1998	300
	<u>\$ 3,900</u>

Note 4. Litigation and Claims

There is no litigation pending against the Assessor's office at December 31, 1996.

Note 5. Pension Plan

Plan description:

Substantially all employees of the Vermilion Parish Assessor's office are members of the Louisiana Assessor's Retirement Fund ("System"), a cost sharing multiple-employer, public employee system (PERS), controlled and administered by a separate board of trustees.

Plan description:

Those employees considered eligible for membership to Louisiana Assessor's Retirement Fund include the assessor and permanent, full-time employees. Members with 30 years of creditable service may retire at age fifty and members with at least 12 years of service may retire at age fifty-five. The monthly retirement allowance is equal to three percent of the highest average monthly salary earned during any thirty-six consecutive months while employed, multiplied by the member's years of creditable service. The retirement allowance may not exceed 100% of final average compensation, after taking into account the reduction arising from any option selected. Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in the System. The System also provides death and survivor benefits. Benefits are established by state statute.

The Louisiana Assessor's Retirement Fund issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Louisiana Assessors' Retirement Fund, P.O. Box 1786, Shreveport, Louisiana 71166-1786.

Funding policy:

Contributions to the System include one-fourth of 1% of ad valorem taxes collected within the respective parishes except for Orleans and receives state revenue sharing funds. Plan members are required to contribute 7% of their annual covered salary and the assessor is required to contribute at an actuarially determined rate. The rate was 6.0% through September 1995 and changed to 5.0% in October 1995. Effective October 1996, the current rate is 5.5% of annual covered payroll. The contribution requirements of Plan members are established and may be amended by the System's Board of Trustees. The Assessor's contributions to the System for the years ended December 31, 1996 and 1995 were \$13,921 and \$14,807, respectively, equal to the required contributions for each year.

NOTES TO FINANCIAL STATEMENTS

Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits 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 pledged 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. The Assessor had deposit balances (collected bank balances) of \$387,515 at December 31, 1996. These deposits are fully secured from risk by \$200,000 of federal deposit insurance (GASB Category 1) and \$596,523 of securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are not considered collateralized (Category 3) under provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the Assessor that the fiscal agent has failed to pay deposited funds upon demand.

Vacation and sick leave:

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

Vacations are mandatory and consist of two weeks leave which can be taken between January 1 and November 1 of each year. In addition to vacation, annual leave consists of twelve working days absence due to illness or business matters. Any unused portion of the annual leave will not be accumulated and carried forward but will be reimbursed at the end of the year. If any employee exceeds the twelve day annual leave, the salary is reduced accordingly.

Should maternity, surgery, or prolonged illness require extended absence, paid leave not to exceed six weeks (including the twelve day annual leave) will be allowed.

Due to uncertainty of actual amounts which will be paid for compensated absences, no accruals have been made at December 31, 1996 for such absences.

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.

Note 2. Changes in General Fixed Assets

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

Balance, January 1, 1995	\$126,338
Additions - 1995 and 1996	<u> 22,166</u>
Balance, December 31, 1996	<u>\$148,504</u>

NOTES TO FINANCIAL STATEMENTS

capital lease. At December 31, 1996, there are no general long-term debt obligations outstanding.

This 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.

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. The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become 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's records are maintained on a cash basis of accounting. However, the fund reported in the accompanying financial statements has been converted to a modified accrual basis of accounting using the following practices in recording revenues and expenditures:

Revenues:

Ad valorem taxes are reported as revenue in the year following the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year. State revenue sharing revenues, revenue from preparation of tax notices, and all other revenues are recorded when received, unless a right to collect existed as of the end of the year.

Expenditures:

Expenditures are reported on the modified accrual basis of accounting when the related fund liability is incurred.

Budget practices:

The adopted budgets were made available for public inspection for the calendar years 1996 and 1995. The proposed budgets were published in the official journal prior to the public hearings. Public hearings were held at the Assessor's office in order to obtain comments from the public. The budget was then legally adopted by the Assessor. The budget is prepared on a basis consistent with generally accepted accounting principles (GAAP). All appropriations lapse at year-end.

Each year, actual revenues and expenditures are compared to budgeted revenues and expenditures. The assessor amends his budget if a 5% or greater negative variance is projected for either revenues or expenditures.

Cash, cash equivalents, and certificates of deposit:

For reporting purposes, cash and cash equivalents include demand deposits and certificates of deposit with an original maturity of ninety days or less.

VERMILION PARISH ASSESSOR
NOTES TO FINANCIAL STATEMENTS

Note 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. A vacancy occurring in the office in which the unexpired term is one year or more is filled by a special election to be held within 60 days of the occurrence of the vacancy; a vacancy in which the unexpired term is less than one year is filled by an appointment of the governor.

The Assessor assesses property, 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 may be necessary for the efficient operation of the office and provides 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.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government.

For financial reporting purposes, in conformance with GASB Codification Section 2100, the Assessor includes all funds, account groups, and activities that are controlled by the Assessor as an independently elected parish official. The activities of the parish police jury, parish school board, other independently elected parish officials, and municipal level government are not included within the accompanying financial statements as they are considered autonomous governments.

Fund accounting:

The accounts of the Assessor are organized on the basis of a fund (General Fund) and account groups, each of which is considered a separate accounting entity. The operations of the General Fund, as provided by Louisiana Revised Statute 47:1906, are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Ad valorem tax revenue, authorized by Act 292 of 1985, is accounted for in this fund. General operating expenditures are paid from this fund.

General fixed assets:

Fixed assets are accounted for in the general fixed assets account group, rather than in the General Fund. General fixed assets provided by the parish police jury are recorded within the general fixed assets account group. Fixed assets are valued at historical cost or estimated cost if historical cost is not available. No depreciation has been provided on fixed assets.

This 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.

General long-term debt:

Long-term debt is accounted for in the general long-term debt account group, rather than in the General Fund. This account group includes obligations under

VERMILION PARISH ASSESSOR

STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET
 (GAAP BASIS) AND ACTUAL - GENERAL FUND
 Year Ended December 31, 1996

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:			
Taxes:	\$369,236	\$370,901	\$ 1,665
Ad valorem			
Intergovernmental:			
Preparation of tax notices	9,200	15,180	5,980
State revenue sharing	35,000	46,667	11,667
Interest	15,000	25,773	10,773
Other	-	9,633	9,633
Total revenues	<u>\$428,436</u>	<u>\$468,154</u>	<u>\$ 39,718</u>
Expenditures:			
Current:			
General government - taxation:			
Salaries and related expenditures	\$339,400	\$307,026	\$ 32,374
Operating services	25,300	28,176	(2,876)
Materials and supplies	18,000	21,645	(3,645)
Travel and related expenditures	17,200	14,928	2,272
Capital outlay	5,000	21,936	(16,936)
Total expenditures	<u>\$404,900</u>	<u>\$393,711</u>	<u>\$ 11,189</u>
Excess of revenues over expenditures	\$ 23,536	\$ 74,443	\$ 50,907
Fund balance, beginning	<u>305,639</u>	<u>305,639</u>	<u>-</u>
Fund balance, ending	<u>\$329,175</u>	<u>\$380,082</u>	<u>\$ 50,907</u>

See Notes to Financial Statements.

VERMILION PARISH ASSESSOR

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
GENERAL FUND
Years Ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Taxes:		
Ad valorem	\$370,901	\$372,150
Intergovernmental:		
Preparation of tax notices	15,180	10,337
State revenue sharing	46,667	23,334
Interest	25,773	19,295
Other	<u>9,633</u>	<u>3,154</u>
Total revenues	<u>\$468,154</u>	<u>\$428,270</u>
Expenditures:		
Current:		
General government - taxation:		
Salaries and related expenditures	\$307,026	\$303,813
Operating services	28,176	27,300
Materials and supplies	21,645	16,026
Travel and related expenditures	14,928	16,275
Capital outlay	<u>21,936</u>	<u>230</u>
Total expenditures	<u>\$393,711</u>	<u>\$363,644</u>
Excess of revenues over expenditures	\$ 74,443	\$ 64,626
Fund balance, beginning	305,639	606,031
Prior period adjustment	-	<u>(365,018)</u>
Fund balance, ending	<u>\$380,082</u>	<u>\$305,639</u>

See Notes to Financial Statements.

VERMILION PARISH ASSESSOR

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1996

ASSETS	Governmental	Account	Total (Memorandum Only)
	Fund Type	Group	
	General	General	
	Fund	Fixed	
		Assets	
Cash and cash equivalents	\$172,066	-	\$172,066
Certificates of deposit	221,036	-	221,036
Ad valorem taxes receivable	400,260	-	400,260
Accrued interest receivable	13,613	-	13,613
Other receivables	7,561	-	7,561
Office furnishings and equipment	-	148,504	148,504
Total assets	<u>\$814,536</u>	<u>\$148,504</u>	<u>\$963,040</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 32,928	\$ -	\$ 32,928
Deferred revenue	401,526	-	401,526
	<u>\$434,454</u>	<u>\$ -</u>	<u>\$434,454</u>
FUND EQUITY			
Investment in general fixed assets	\$ -	\$148,504	\$148,504
Fund balance:			
Unreserved - undesignated	380,082	-	380,082
	<u>\$380,082</u>	<u>\$148,504</u>	<u>\$528,586</u>
Total liabilities and fund equity	<u>\$814,536</u>	<u>\$148,504</u>	<u>\$963,040</u>

See Notes to Financial Statements.



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

The Honorable Michael G. Langlinais
Vermilion Parish Assessor
Abbeville, Louisiana

We have audited the general purpose financial statements of the Vermilion Parish Assessor as of December 31, 1996, and for the two years then ended, and have issued our report thereon dated April 17, 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 management of the Vermilion Parish Assessor is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management 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 management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized or disposition, and that transactions are executed in accordance with management'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 conditions 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 Vermilion Parish Assessor for the two years 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 of 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 assurance on the internal control structure. Accordingly, we do not express such an opinion.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
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The Honorable Michael G. Langlinais
Vermilion Parish Assessor
Abbeville, Louisiana

We have audited the general purpose financial statements of the Vermilion Parish Assessor as of December 31, 1996, and for the two years then ended, and have issued our report thereon dated April 17, 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, regulations, and contracts applicable to the Vermilion Parish Assessor is the responsibility of the Vermilion Parish Assessor's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Vermilion Parish Assessor's compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the general purpose financial statements 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 did not disclose any instances that are required to be reported under Government Auditing Standards.

This report is intended for the information of management and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Broussard, Poche, Lewis & Breaux

Abbeville, Louisiana
April 17, 1997



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INDEPENDENT AUDITORS' REPORT

The Honorable Michael G. Langlinais
Vermilion Parish Assessor
Abbeville, Louisiana

We have audited the accompanying general purpose financial statements of the Vermilion Parish Assessor as of December 31, 1996, and for the two years then ended, as listed in the accompanying 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 Government Auditing Standards. 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 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 Vermilion Parish Assessor as of December 31, 1996, and the results of its operations for the two years then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated April 17, 1997 on our consideration of the Assessor's internal control structure and a report dated April 17, 1997 on its compliance with laws and regulations.

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Broussard, Poche, Lewis & Breaux

Abbeville, Louisiana
April 17, 1997

The Honorable Michael G. Langlin:is
Vermilion Parish Assessor

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions 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 general purpose financial statements.

A material weakness is a reportable 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 or 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.

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 noted the following reportable condition that we believe to be a material weakness. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of the Vermilion Parish Assessor for the two years ended December 31, 1996.

General Administration

Finding: As in previous years, our review of the internal control structure indicated an inadequate segregation of duties.

Cause: An inadequate segregation of duties is due to the limited number of personnel performing the administrative functions.

Suggestion and response: The Vermilion Parish Assessor has evaluated this inadequacy and concluded the related costs versus benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation.

This report is intended for the information of management and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Raymond J. McNeill, Jr.

Abbeville, Louisiana
April 17, 1997