

OFFICIAL
FILE COPY
DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

LIVINGSTON PARISH ASSESSOR
LIVINGSTON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 1995

RECEIVED
LEGISLATIVE AUDITOR
95 JUL -1 PM 3:55

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 7-31-96

LIVINGSTON PARISH ASSESSOR
LIVINGSTON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1995

CONTENTS

	<u>STATEMENT</u>	<u>PAGE NO.</u>
Auditor's Report		2
General Purpose Financial Statements:		
Balance Sheet - All Fund Types and Account Groups	A	5
Governmental Funds:		
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP) and Actual	B	6
Notes to the Financial Statements		7

DAIGREPONT & BRIAN
A PROFESSIONAL ACCOUNTING CORPORATION

6641 GOVERNMENT STREET, BATON ROUGE, LOUISIANA 70806, (504) 927-3760

ROBERT D. DAIGREPONT, C.P.A.

CLAUDIA S. BRIAN, C.P.A.

Honorable Charles A. Abels
Livingston Parish Assessor
Livingston, Louisiana

Independent Auditor's Report

We have audited the accompanying general purpose financial statements of the Livingston Parish Assessor as of December 31, 1995, and for the year then ended. These general purpose financial statements are the responsibility of the Livingston Parish Assessor's management. 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, 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 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 Livingston Parish Assessor as of December 31, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Report on Internal Control

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.

In planning and performing our audit of the general purpose financial statements of the Livingston Parish Assessor for the year ended December 31, 1995, we considered its internal control structure 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.

The management of the Livingston 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 use or disposition, and that

Honorable Charles A. Abels
Livingston Parish Assessor
Audit Report, December 31, 1995

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.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Budgeting and budget reporting
- Revenues/receipts
- Purchases/disbursements

Our study and evaluation of the control categories was limited to a preliminary review of the system to obtain an understanding of the control environment and the flow of transactions through the accounting system. Based on the preliminary review, we concluded that expanded substantive tests should be applied without reliance on the system of internal accounting control as a more efficient audit technique. The purpose of our study and evaluation was to determine the nature, timing, and extent of performing the auditing procedures necessary for expressing an opinion on the assessor's general purpose financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal control taken as a whole or on any of the control categories identified previously.

Our consideration of the internal control structure made for the limited purpose previously described, 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 reportable condition in which the design or operation of one or more of the specific internal control structure elements do 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. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

Report On Compliance With State Laws And Regulations

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, contracts, and grants applicable to the Livingston Parish Assessor is the responsibility of the Livingston 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 Livingston Parish Assessor's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective

Honorable Charles A. Abels
Livingston Parish Assessor
Audit Report, December 31, 1995

was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, the Livingston Parish Assessor complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Livingston Parish Assessor had not complied in all material respects, with those provisions.

This report is intended for the information of management and the legislative auditor's office. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Daigrepont & Brian
A Professional Accounting Corporation

June 26, 1996

LIVINGSTON PARISH ASSESSOR
LIVINGSTON, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET, DECEMBER 31, 1995

Statement A

	GOVERNMENTAL FUND TYPE GENERAL FUND	ACCOUNT GROUP GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS			
Assets:			
Cash and cash equivalents	\$ 143,355	\$ -	\$ 143,355
Investments, at cost	100,000	-	100,000
Revenues receivable:			
Ad valorem taxes	559,690	-	559,690
Assessors compensation	1,000	-	1,000
Office furnishings and equipment	-	99,198	99,198
TOTAL ASSETS	<u>\$ 804,045</u>	<u>\$99,198</u>	<u>\$ 903,243</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 1,635	\$ -	\$ 1,635
Payroll deductions payable	125	-	125
Total Liabilities	<u>1,760</u>	<u>-</u>	<u>1,760</u>
Fund Equity:			
Investment in general fixed assets	-	99,198	99,198
Fund Balances:			
Unreserved-undesignated	802,285	-	802,285
Total Fund Equity	<u>802,285</u>	<u>99,198</u>	<u>901,483</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 804,045</u>	<u>\$99,198</u>	<u>\$ 903,243</u>

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH ASSESSOR
LIVINGSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND TYPE - GENERAL FUND
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1995

Statement B

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Ad valorem taxes	\$516,000	\$536,139	\$ 20,139
Use of money and property	16,000	16,037	37
Other revenue:			
Municipalities	<u>3,600</u>	<u>3,583</u>	<u>(17)</u>
Total Revenues	<u>535,600</u>	<u>555,759</u>	<u>20,159</u>
EXPENDITURES			
Personal services and related benefits	364,600	365,014	(414)
Materials and supplies	20,000	32,108	(12,108)
Travel and other charges	89,500	79,427	10,073
Capital outlay	<u>21,000</u>	<u>21,843</u>	<u>(843)</u>
Total Expenditures	<u>495,100</u>	<u>498,392</u>	<u>(3,292)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>40,500</u>	<u>57,367</u>	<u>16,867</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>744,918</u>	<u>744,918</u>	-
FUND BALANCE AT END OF YEAR	<u>\$785,418</u>	<u>\$802,285</u>	<u>\$ 16,867</u>

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH ASSESSOR
LIVINGSTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1995

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.

The assessor's office is located in the Livingston Parish Courthouse Annex in Livingston, Louisiana. The assessor employs eleven employees, including eight deputies. 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, 1995, there are 34,573 real property and movable property assessments totaling \$114,264,350 and \$17,706,740, respectively. An increase in the assessed values totaling \$1,913,163 was caused generally by an increased number of homeowners and businesses moving into the parish.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. BASIS OF PRESENTATION

The accompanying financial statements of the Livingston 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 established governmental accounting and financial reporting principles.

B. REPORTING ENTITY

For financial reporting purposes, in conformance with Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification), the assessor includes all funds, account groups, activities, et cetera, that are controlled by the assessor as an independently elected parish official. As an independently elected official, the assessor is solely responsible for the operations of his office, which include the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the assessor's office that are paid or provided by the parish police jury as required by Louisiana law, the assessor is financially independent. Accordingly, the assessor is a separate governmental reporting entity. The activities of the parish policy jury, 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. These units of government issue financial statements separate from those of the parish assessor.

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, 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.

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. Ad valorem tax revenue authorized by Act 223 of 1984 is accounted for in this fund. General operating expenditures are paid from this fund.

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 financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are 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 recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year and 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.

Interest income on time deposits is recorded when earned and available.

Assessors compensation is recorded when assessments are provided.

Expenditures

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

LIVINGSTON PARISH ASSESSOR
LIVINGSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

E. BUDGET

The assessor prepares a budget at the beginning of each year based upon prior year expenditures and anticipated revenues for the budget year. The proposed budget is prepared on a modified accrual basis of accounting and is made available for public inspection no later than 15 days prior to the beginning of the budgeted year. A public hearing on the budget for 1995 was advertised in the assessor's official journal (Denham Springs News) on December 1, 1994. The documents were available for public inspection from December 2, 1994 through December 20, 1994 at the assessor's office. The budget for 1995 was formally adopted on December 22, 1994. All appropriations lapse at year end. In accordance with Louisiana Revised Statute 47:1908, the assessor carries forward into subsequent years any unexpired appropriation.

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 cent or more or if actual expenditures to date plus projected expenditures for the remainder of the year exceed the budgeted expenditures by five per cent or more, the 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

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in the 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 their 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 purchased, and the related assets are reported in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

H. VACATION AND SICK LEAVE

The Livingston parish assessor has no formal vacation and sick leave policy. Each case is considered and determined on an individual basis by the assessor.

LIVINGSTON PARISH ASSESSOR
LIVINGSTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

H. VACATION AND SICK LEAVE (Continued)

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the General Fund when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

I. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. LEVIED TAXES

The tax assessor's authorized millage of 6.51% was levied in total.

The following are the principal taxpayers for the parish:

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>ASSESSED VALUATION</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
South Central Bell Telephone Company	Telephone	\$ 7,564,920	4.9%
Dixie Electric Membership Corporation	Electric	5,096,260	3.3%
Hanson Natural Resources, Inc.	Timber	2,974,880	1.9%
Gulf States Utilities Company	Utility	2,798,810	1.8%
Capline Shell Pipeline Systems	Pipeline	1,787,520	1.2%
Southern Natural Gas Pipeline Company	Gas	1,348,080	.9%
East Ascension Telephone Company	Telephone	1,320,410	.9%
Callon Petroleum Company	Gas and Oil	1,294,480	.8%
Amoco Production Company	Gas and Oil	1,190,550	.8%
Transcontinental Gas Pipeline Company	Telephone	<u>1,180,160</u>	<u>.8%</u>
		<u>\$26,556,070</u>	<u>17.3%</u>

3. CASH AND CASH EQUIVALENTS

At December 31, 1995, the assessor has cash and cash equivalents (book balances) totaling \$143,355 in demand deposits.

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 securities owned by the fiscal agent bank. The market value of the pledge 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, 1995, the

LIVINGSTON PARISH ASSESSOR
LIVINGSTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. CASH AND CASH EQUIVALENTS (Continued)

assessor has \$150,012 in deposits (collected bank balances). The deposits are secured from risk by \$100,000 of federal deposit insurance and \$296,707 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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. INVESTMENTS

At December 31, 1995, the assessor has an investment of \$100,000 in a time deposit with an original maturity date of greater than 90 days. The one-year certificate carries an interest rate of 5.35%.

The investment is in the name of the Livingston Parish Assessor and is held at Tuscaloosa Commerce Bank. Because the time deposits are in the name of the assessor and are held by the assessor or its agent, the time deposits are considered insured and registered, Category 1, in applying the credit risk of GASB Codification Section I50.164.

5. CHANGES IN GENERAL FIXED ASSETS

Balance, January 1, 1995	\$93,147
Additions	26,118
Deletions	<u>(20,067)</u>
Balance, December 31, 1995	<u>\$99,198</u>

6. PENSION PLAN

Substantially all employees of the Livingston Parish Assessor's office are members of the Louisiana Assessors 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 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 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.

LIVINGSTON PARISH ASSESSOR
LIVINGSTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. PENSION PLAN (Continued)

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 Assessors' 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 7.0 percent of their annual covered salary and the Livingston Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 6.0 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 Livingston 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 Livingston Parish Assessor's contributions to the System for the years ending December 31, 1995, 1996, and 1993 were \$15,683, \$16,798, and \$15,742, respectively, equal to the required contributions for each year.

7. OTHER POST EMPLOYMENT BENEFITS

The Assessor sponsors a postretirement health care plan for all employees. The Assessor pays the annual cost of retirees remaining in the group health care plan. The Assessor has not recognized any liability for future contributions. It recognizes the expense for this plan on the cash basis. On that basis, the expense for 1995 to provide retirees with health care coverage was \$7,713. As of December 31, 1995, two participants were eligible to receive benefits.

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

The assessor's office is located in the parish courthouse. As required by State law, expenditures for maintenance and operation of the parish courthouse are paid by the Livingston Parish Police Jury. The Assessor has determined that these provided premises are immaterial to the cost of operating the office.

9. LITIGATION AND CLAIMS

There is no obligation pending against the assessor's office at December 31, 1995.