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**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
General Purpose Financial  
Statements and Auditor's Report  
As of and for the Year Ended  
December 31, 1998

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 7-14-99

**KEITH J. ROVIRA**  
*Certified Public Accountant*

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**INDEPENDENT AUDITOR'S REPORT**

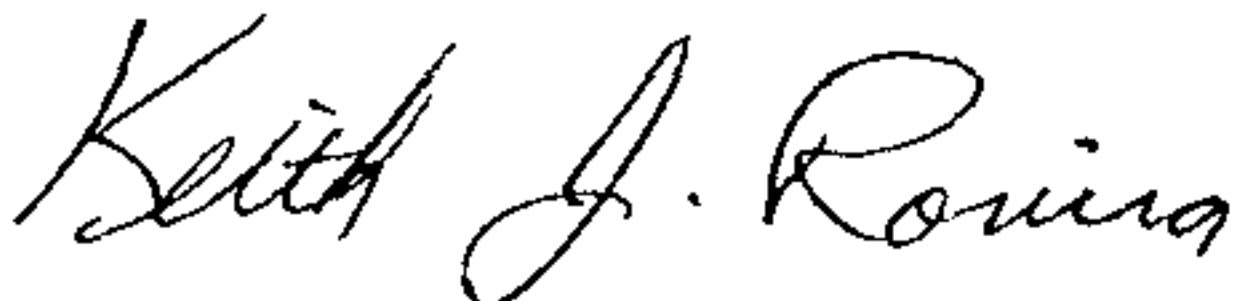
Honorable Henry J. Hotard, Jr.  
St. John the Baptist Parish Assessor  
A Component Unit of the  
St. John the Baptist Parish Council  
Edgard, Louisiana

I have audited the accompanying general purpose financial statements of the St. John the Baptist Parish Assessor, a component unit of the St. John the Baptist Parish Council, as of and for the year then ended December 31, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the St. John the Baptist Parish Assessor. 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 contained in the 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 in the first paragraph present fairly, in all material respects, the financial position of the St. John the Baptist Parish Assessor as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated May 14, 1999, on my consideration of the St. John the Baptist Parish Assessor's compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards. This report is presented separately after the notes to the financial statements of this audit report.



Keith J. Rovira  
Certified Public Accountant

May 14, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Governmental Fund Type - General Fund  
 Balance Sheet  
 December 31, 1998

Statement A

	Governmental Fund - General Fund	Account Group - General Fixed Assets	Total (Memorandum Only)
	<u>          </u>	<u>          </u>	<u>          </u>
<u>ASSETS</u>			
Cash and cash equivalents (Note C)	\$493,996	-	\$493,996
Revenues receivable:			
Ad valorem taxes	463,919	-	463,919
State revenue sharing	11,428	-	11,428
Payments in lieu of taxes	3,346	-	3,346
Accrued interest	11,875	-	11,875
Office furnishings and equipment (Note D)	<u>          -</u>	\$115,937	<u>115,937</u>
 TOTAL ASSETS	 <u>\$984,564</u>	 <u>\$115,937</u>	 <u>\$1,100,501</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Payroll taxes payable	\$ <u>1,643</u>	<u>          -</u>	\$ <u>1,643</u>
Total Liabilities	<u>1,643</u>	<u>          -</u>	<u>1,643</u>
Fund Equity:			
Investment in general fixed assets	-	\$115,937	115,937
Fund balance - unreserved - undesignated	<u>982,921</u>	<u>          -</u>	<u>982,921</u>
Total Fund Equity	<u>982,921</u>	<u>115,937</u>	<u>1,098,858</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$984,564</u>	 <u>\$115,937</u>	 <u>\$1,100,501</u>

The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Governmental Fund Type - General Fund  
 Statement of Revenues, Expenditures,  
 and Changes in Fund Balance  
 For the Year Ended December 31, 1998

Statement B

REVENUES

Ad valorem taxes	\$499,964
State revenue sharing	50,890
Payments in lieu of taxes	3,346
Interest earnings	<u>31,509</u>
Total Revenues	<u>585,709</u>

EXPENDITURES

Personal services and related expenditures	435,915
Office supplies and expenditures	53,278
Travel and automotive	13,240
Professional services	10,850
Capital outlay	<u>48,750</u>

Total Expenditures	<u>562,033</u>
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Excess of Revenues over Expenditures	23,676
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Fund Balance at Beginning of Year	<u>959,245</u>
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Fund Balance at End of Year	<u>\$982,921</u>
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The accompanying notes are an integral part of this statement.



**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, 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, 1998

Statement C

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<u>REVENUES</u>			
Ad valorem taxes	\$475,661	\$499,964	\$24,303
State revenue sharing	52,825	50,890	(1,935)
Payments in lieu of taxes	3,437	3,346	(91)
Reimbursements	25,276	-	(25,276)
Interest earnings	<u>20,000</u>	<u>31,509</u>	<u>11,509</u>
Total Revenues	<u>577,199</u>	<u>585,709</u>	<u>8,510</u>
<u>EXPENDITURES</u>			
Personal services and related expenditures	430,285	435,915	(5,630)
Office supplies and expenditures	46,900	53,278	(6,378)
Travel and automotive	15,600	13,240	2,360
Professional services	6,750	10,850	(4,100)
Capital outlay	<u>77,664</u>	<u>48,750</u>	<u>28,914</u>
Total Expenditures	<u>577,199</u>	<u>562,033</u>	<u>15,166</u>
Excess of Revenues over Expenditures	-	23,676	23,676
Fund Balance at Beginning of Year	<u>959,245</u>	<u>959,245</u>	-
Fund Balance at End of Year	<u>\$959,245</u>	<u>\$982,921</u>	<u>\$23,676</u>

The accompanying notes are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS**



**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 1998

**NOTE A - 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 four year term. 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 may be necessary for 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 has one office located in Edgard and one office in LaPlace in St. John the Baptist Parish. 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 for 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 collecting and distributing taxes to the various taxing bodies located in the parish.

1. Basis of Presentation

The accompanying general purpose financial statements of the St. John the Baptist Parish Assessor have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

2. Reporting Entity

As the governing authority of the parish, for reporting purposes, the St. John the Baptist Parish Council is the financial reporting entity for St. John the Baptist Parish. The financial reporting entity consists of (a) the primary government (St. John the Baptist Parish Council), (b) organizations for which the primary government is financially accountable, and (c) other

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. John the Baptist Parish Council for financial reporting purposes. The basic criterion 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
  - a. the ability of the parish council 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 parish council.
2. Organizations for which the parish council does not appoint a voting majority, but are fiscally dependent on the parish council.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Even though the assessor is an independently elected official, and is legally separate from the parish council, the exclusion from the parish council's financial statements would cause the parish council's financial statements to be misleading or incomplete. Also, the assessor is fiscally dependent on the parish council when the parish council has approval authority over the assessor's capital budget. The parish council

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

has approval authority over the assessor's capital budget because office space is furnished to the assessor by the parish council and title to real property is in the name of the parish council. Because of these reasons, the assessor is determined to be a component unit of the St. John the Baptist Parish Council.

3. Fund Accounting

The accounts of the assessor are organized on the basis of a fund (General Fund) and an account group (General Fixed Assets Account Group), each of which is considered a separate accounting entity. The operations of the General Fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in the General Fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The General Fund, as provided by Louisiana Revised Statute (LSA-R.S.) 47:1906, is the principal fund of the assessor and accounts for the operation of the assessor's office. Ad valorem tax revenue is accounted for in this fund. General operating expenditures are paid from this fund. The General Fund is classified as a governmental fund type.

4. 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 assessor's records are maintained on a cash basis of accounting. However, the funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting. The General Fund uses the following practices in recording revenues and expenditures:

Revenues:

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



**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues from state revenue sharing and payments in lieu of taxes are recorded in the year the revenues are due the assessor.

Interest earnings on time deposits are recorded when the time deposits have matured and the revenue is available.

All other revenues are recorded when received.

**Expenditures:**

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

5. Fixed Assets and Long-Term Obligations

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 council are not recorded within the general fixed assets account group. Fixed assets are valued at historical cost. No depreciation has been provided on fixed assets. The general fixed assets 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.

There were no long-term obligations at December 31, 1998.

6. Budgets

The original proposed budget for the year ended December 31, 1998, was made available for public inspection at the assessor's office and advertised. The budget was adopted after a public hearing. The proposed budget was prepared on the modified accrual basis of accounting. The assessor reserves all authority to make changes to the budget.

Formal budget integration within the accounting records is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. The 1998 budget was amended on October 15, 1998.

All appropriations contained in the budget lapse at year end.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**

Edgard, Louisiana

Notes to the Financial Statements

December 31, 1998

## NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Cash and Cash Equivalents  
Cash includes amounts in noninterest bearing demand deposits. Cash equivalents include amounts in certificates of deposit. Under state law, the assessor may deposit funds in demand deposits, money market accounts, or certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.
8. Receivables  
Receivables are made up of ad valorem taxes, state revenue sharing and payments in lieu of taxes. For 1998 ad valorem tax receivable is recorded net of an estimated 5% uncollectible amount.
9. Compensated Absences  
Employees of the assessor's office earn vacation leave depending on length of service as follows: after one year of service an employee earns 5 days; after two years of service an employee earns 10 days; after three and four years of service an employee earns 15 days; after five years of service an employee earns 20 days. An employee cannot earn more than 20 days per year after five years of service. Vacation leave must be taken during the year earned, and cannot be accumulated. Sick leave is granted at the discretion of the assessor, and cannot be accumulated. Upon termination, resignation, or retirement employees are not paid for any unused vacation or sick leave earned during the year. At December 31, 1998, there were no accumulated or vested benefits related to vacation and sick leave that require disclosure in accordance with GASB Codification C60.
10. Encumbrances  
The assessor does not use encumbrance accounting.
11. 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.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**

Edgard, Louisiana

Notes to the Financial Statements

December 31, 1998

**NOTE B - LEVIED TAXES**

Ad valorem taxes of 3.26 mills were authorized and levied for the operation of the assessor's office. The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>1998 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Marathon Oil Co.	Oil company	\$56,196,850	27%
E. I. Dupont De Nemours & Co.	Chemical company	8,953,701	4%
Bayou Steel Corp.	Steel mill	5,527,596	3%
Cargill Incorporated	Grain company	4,741,065	3%
Entergy Louisiana	Power company	3,642,120	2%
Louisiana Machinery	Machinery	2,423,839	1%
Nalco Chemical Co.	Chemical company	2,352,014	1%
Hibernia Bank	Banking	2,332,815	1%
Bellsouth Telecommunications	Telephone company	2,213,040	1%
Du Pont Dow Elastomers	Chemical company	<u>2,132,790</u>	<u>1%</u>
Total		<u>\$90,515,830</u>	<u>44%</u>

The total assessed valuation for all taxpayers at December 31, 1998 was \$208,660,302. This figure was used in calculating the percentage of the "1998 assessed valuation of each of the ten largest taxpayers" to the "total assessed valuation for all taxpayers."

**NOTE C - CASH AND CASH EQUIVALENTS**

At December 31, 1998, the carrying amounts (book balances) of all cash and cash equivalents of the assessor totaled \$493,996, and are listed as follows:

Noninterest bearing demand deposits	\$145,873
Certificates of deposit	<u>348,123</u>
Total	<u>\$493,996</u>

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Notes to the Financial Statements  
 December 31, 1998

NOTE C - CASH AND CASH EQUIVALENTS (CONTINUED)

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 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, 1998, the assessor had \$497,632 in deposits (collected bank balances). These deposits were secured from risk by \$198,123 of federal deposit insurance and \$299,509 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.

NOTE D - CHANGES IN GENERAL FIXED ASSETS

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

Balance, January 1, 1998	\$111,622
Additions	33,063
Deductions	<u>(28,748)</u>
Balance, December 31, 1998	<u>\$115,937</u>



**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 1998

NOTE E - PENSION PLAN

Plan Description

Substantially all employees of the St. John the Baptist Parish Assessor's office are members of the Louisiana Assessor's Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or 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 financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessor's Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318)425-4446.

Funding Policy

Plan members are required by state statute to contribute 7.0 percent of their annual covered salary and the St. John the Baptist Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 5.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing appropriated by the legislature. The contribution requirements of plan members and the St. John the Baptist

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 1998

**NOTE E - PENSION PLAN (CONTINUED)**

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 assessor's employer contributions to the System for the years ended December 31, 1998, 1997 and 1996, were \$19,463, \$18,712 and \$15,895, respectively, and these amounts equaled the required contributions for those years.

**NOTE F - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The St. John the Baptist 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 by the assessor. The assessor recognizes the cost of providing these benefits (assessor's portion of premiums) as an expenditure when paid during the year. For 1998 the cost of benefits paid for retirees totaled \$9,169.

**NOTE G - LEASES**

Operating leases are all leases that do not meet the criteria of capital leases.

In September, 1997, the assessor entered into a new and separate noncancelable operating lease for a replacement automobile. There are no monthly lease payments for the duration of the lease period, and there are no commitments on the lease as of December 31, 1998.

In December, 1997, the assessor entered into a second new and separate noncancelable operating lease for a replacement automobile. There are no monthly lease payments for the duration of the lease period, and there are no commitments on the lease as of December 31, 1998.

There were no other operating or capital leases.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 1998

**NOTE H - EXPENDITURES OF THE ASSESSOR NOT INCLUDED IN THE  
FINANCIAL STATEMENTS**

The assessor has an office located in both Edgard and LaPlace in St. John the Baptist Parish. The upkeep and maintenance of these offices is mainly paid by the St. John the Baptist Parish Council as required by Louisiana Revised Statute. These expenditures are not reflected in the accompanying financial statements.

**NOTE I - LITIGATION**

There was no litigation pending against the assessor's office at December 31, 1998.

**SUPPLEMENTAL INFORMATION SCHEDULES**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Supplemental Information Schedules  
Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 1998

Reference No.: 1

Fiscal Year Finding Initially Occurred: Has existed from inception.

Finding Described: The size of the assessor's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial. No action will need to be taken.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Supplemental Information Schedules  
Corrective Action Plan for Current Year Audit Findings  
For the Year Ended December 31, 1998

Reference No.: 1

Fiscal Year Finding Initially Occurred: Has existed from inception.

Finding Described: The size of the assessor's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial. No action will need to be taken.

Contact Person:  
Henry J. Hotard, Jr.,  
St. John the Baptist Parish Assessor  
Edgard, Louisiana

Anticipated Completion Date: Not applicable.

**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**



REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Honorable Henry J. Hotard, Jr.  
St. John the Baptist Parish Assessor  
A Component Unit of the  
St. John the Baptist Parish Council  
Edgard, Louisiana

I have audited the general purpose financial statements of the St. John the Baptist Parish Assessor, a component unit of the St. John the Baptist Parish Council, as of and for the year ended December 31, 1998, and have issued my report thereon dated May 14, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As a part of obtaining reasonable assurance about whether the St. John the Baptist Parish Assessor's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the St. John the Baptist Parish Assessor's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements

and not to provide assurance on the internal control over financial reporting. However, I noted a matter involving the internal control over financial reporting and its operations that I consider to be reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the assessor's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. I noted that, as a material weakness, the size of the assessor's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control. Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I considered the reportable condition described above to be a material weakness.

This report is intended solely for the use of management and the State of Louisiana Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the State of Louisiana Legislative Auditor, is a matter of public record.



Keith J. Rovira  
Certified Public Accountant

May 14, 1999