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ASCENSION PARISH ASSESSOR

FINANCIAL REPORT

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 NOV 4 1999

CONRAD P. BOURQUE
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To The Honorable Gerald M. McCrory, Jr.
Ascension Parish Assessor
Donaldsonville, Louisiana

I have audited the accompanying general purpose financial statements of the Ascension Parish Assessor as of and for the year ended December 31, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Ascension 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 and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Ascension 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.

The year 2000 supplementary information on page 14 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that the Ascension Parish Assessor is or will become year 2000 compliant, that the Assessor's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Assessor does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 21, 1999, on my consideration of the Ascension Parish Assessor's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, and contracts.

June 21, 1999

Conrad P. Bourque

ASCENSION PARISH ASSESSOR
Donaldsonville, Louisiana

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
Year ended December 31, 1998

	<u>Governmental</u> Fund Type <u>General</u>	<u>Account Group</u> General Fixed <u>Assets</u>	1998 Totals (Memorandum Only)
ASSETS			
Cash	\$ 917,984	\$ -	\$ 917,984
Assessor's compensation receivable	4,109	-	4,109
State rev.shar.rec.	58,418	-	58,418
Interest receivable	12,073	-	12,073
A/R roll preparation	7,731	-	7,731
Property & equipment	-	108,944	108,944
	<hr/>	<hr/>	<hr/>
Total assets	1,000,315	108,944	1,109,259
LIABILITIES AND FUND EQUITY			
Liabilities			
Accrued exp.pay.	14,506	-	14,506
Taxes payable	5,550	-	5,550
	<hr/>	<hr/>	<hr/>
Total liabilities	20,056	-	20,056
Fund Equity			
Investment in general fixed assets	-	108,944	108,944
Fund balance-unreserved- undesignated	980,259	-	980,259
	<hr/>	<hr/>	<hr/>
Total fund equity	980,259	108,944	1,089,203
	<hr/>	<hr/>	<hr/>
Total liabilities and fund equity	\$ 1,000,315	\$ 108,944	\$ 1,109,259

See accompanying notes and accountant's report.
Statement A

ASCENSION PARISH ASSESSOR
Donaldsonville, Louisiana

GOVERNMENTAL FUND TYPE - GENERAL FUND (SALARY)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year ended December 31, 1998

	General Fund		
	<u>Budget</u>	<u>Actual</u>	Variance-Favorable <u>(Unfavorable)</u>
Revenues			
Intergovernmental			
Compensation from assessment district	\$ 644,210	\$ 639,776	\$ (4,434)
Roll preparation for municipalities	7,663	7,731	68
Interest	27,774	40,129	12,355
State revenue sharing	84,677	87,627	2,950
Other	<u>2,702</u>	<u>2,702</u>	<u>-</u>
Total revenues	767,026	777,965	10,939
Expenditures			
Current			
General government-taxation			
Salaries	394,930	400,728	(5,798)
Travel expense			
Assessor's expense allowance	6,955	6,955	-
Supplies and services			
Office	71,755	69,274	2,481
Insurance	81,084	85,914	(4,830)
Mapping	50,000	44,625	5,375
Professional	1,500	1,500	-
Retirement	22,000	23,129	(1,129)
Capital outlay	<u>22,995</u>	<u>23,443</u>	<u>(448)</u>
Total expenditures	651,219	655,568	(4,349)
Excess of revenues over expenditures	115,807	122,397	6,590
Fund balance, beginning	<u>707,953</u>	<u>857,862</u>	<u>149,909</u>
Fund balance, ending	\$ 823,760	\$ 980,259	\$ 156,499

See accompanying notes and accountant's report
Statement B

ASCENSION PARISH ASSESSOR
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998

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 Ascension Parish Courthouse in Donaldsonville, Louisiana. The assessor employs 11 employees, including 10 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, 1998, there were 32,968 real property, movable property, and public service assessments totaling \$134,917,070, \$239,127,010, and \$44,617,030 respectively. This represents an increase of 1,376 assessments totaling \$30,733,900 over the prior year, caused primarily by the ten year industrial exemption expiring on some property and the influx on people in the parish during the year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Ascension Parish Assessor have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. This preparation of the financial statements in conformity with GAAP requires the use of management's estimates. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The assessor is an independently elected official; however, the assessor is fiscally dependent on the Ascension Parish Council. The parish council maintains and operates the parish courthouse in which the assessor's office is located and provides funds for equipment and furniture of the assessor's office. In addition, the parish council's general purpose financial statements would be incomplete or misleading without inclusion of the assessor. For these reasons, the assessor was

ASCENSION PARISH ASSESSOR
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998
(continued)

determined to be a component unit of the Ascension Parish Council, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the assessor and do not present information on the parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

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. On the other hand, an account group 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. Compensation received from ad valorem tax revenue authorized by Act R.S. 47:1925.2 is accounted for in this fund. General operating expenditures are paid from this fund.

The General Fixed Assets Account Group is established to account for all fixed assets of the assessor.

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.

ASCENSION PARISH ASSESSOR
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998
(continued)

Revenues

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. All major revenues (assessment district and state revenue sharing) are susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Expenditures mainly include salaries, insurance, and office.

E. BUDGETS

Annually, the assessor adopts a budget on the General Fund. The budget practices include; publishing the budget in the official journal and making it available for public inspection no later than 15 days prior to the beginning of each fiscal year, holding a public hearing for the proposed budget December 22, 1997, and adopting the budget before the beginning of 1998. The budget is prepared on the modified accrual basis of accounting. Budget amounts included in the accompanying financial statements include original adopted budget amounts and all subsequent amendments. Individual amendments were not material in relation to the original appropriation.

F. ENCUMBRANCES

The assessor does not use encumbrance accounting.

G. CASH

Cash includes amounts in demand deposits and 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.

H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. No

ASCENSION PARISH ASSESSOR
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998
(continued)

depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

I. COMPENSATED ABSENCES

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

Employees of assessor's office earn two to three weeks of vacation leave each year depending on length of service. Employees earn two weeks of sick leave each year. Vacation and sick leave cannot be accumulated and must be used in the year earned.

J. LONG-TERM LIABILITIES

The assessor has no long-term liabilities.

K. 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.

2. PROPERTY TAXES

The parish's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1, for all real and business personal property located in the parish. The assessed value of the roll on January 1, 1998, upon which the levy for the 1998 calendar year was based, was \$418,661,110. The authorized and levied millage for Ascension Parish Assessment District for the tax year, 1998, was 1.94 mills. Taxes are due on October 1 and become delinquent by January 1 following the October 1 levy date.

<u>Principal Taxpayers</u>	<u>Assessed Value</u>	<u>% of Total</u>
BASF Corporation	53,990,530	12.9
Borden Chemicals	32,029,680	7.7
Shell	27,965,840	6.7

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in the general fixed assets account group follows:

ASCENSION PARISH ASSESSOR
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998
(continued)

	Balance January 1 <u>1998</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31 <u>1998</u>
Equipment	\$ 53,120	\$ 448	\$ <564>	\$ 53,004
Vehicles	<u>51,231</u>	<u>22,995</u>	<u><18,286></u>	<u>55,940</u>
	104,351	23,443	<18,850>	108,944

4. PENSION PLAN

Plan Description. Substantially all employees of the Ascension 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% of their final-average salary for each year of credited service, not to exceed 100% 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 or amended 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 Assessors' 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% of their annual covered salary and the Ascension Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 5.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (1% for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Ascension Parish Assessor are established and may be amended by state statute. As provided by R.S. 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 Ascension Parish Assessor's contributions to the System for the years ending December 31, 1998, 1997, and 1996, were \$51,466, \$46,030, and \$37,018, respectively, equal to the required contributions for each year.

ASCENSION PARISH ASSESSOR
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998
(continued)

5. OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 4, the Assessor may provide postretirement healthcare insurance premiums to employees who retire from the assessor's office on or after attaining age 55 with 12 or more years of service. Louisiana R.S. 42:853 provides authority for procuring health insurance for retired public employees. For 1998, the cost of five retiree's healthcare insurance premiums totaled \$16,988.

6. LITIGATION

There was no pending or threatened litigation which involved any potential monetary settlements against the assessor's office.

7. CASH

At December 31, 1998, the assessor had cash (book balances) totaling \$917,984 as follows:

Demand deposits	\$ 23,846
Time deposits	<u>894,138</u>
Total	\$ 917,984

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 \$920,133 in deposits (collected bank balances). These deposits are secured from risk by \$425,995 of federal deposit insurance and \$494,138 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 No. 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.

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

To the Honorable Gerald M. McCrory, Jr.
Ascension Parish Assessor
Donaldsonville, Louisiana

I have audited the general purpose financial statements of the Ascension Parish Assessor, as of and for the year ended December 31, 1998, and have issued my report dated June 21, 1999. I conducted my audit in accordance with generally accepted auditing standard and the standard applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Ascension 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 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 Ascension 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a 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 my occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Ascension Parish Assessor and Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

June 21, 1999

Conrad P. Bourque

ASCENSION PARISH ASSESSOR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 1998

A. SUMMARY OF AUDIT RESULTS

1. *The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Ascension Parish Assessor.*
2. *There were no reportable conditions during the audit of the general purpose financial statements.*
3. *There were no instances of noncompliance in relation to this audit.*

B. NO FINDINGS -- FINANCIAL STATEMENTS AUDIT

ASCENSION PARISH ASSESSOR
SUMMARY SCHEDULE OF PRIOR AUDIT FINDING
YEAR ENDED DECEMBER 31, 1998

There were no prior audit findings and no management letter comments.

ASCENSION PARISH ASSESSOR

YEAR 2000 ISSUE

YEAR ENDED DECEMBER 31, 1998

The year 2000 Issue consists of two shortcomings that make computer processing systems unable to year-date data beyond the year 1999. The first shortcoming is many computer programs contain abbreviated dates, which eliminate the first two digits of the year. Therefore, some computer programs may recognize January 1, 2000 as January 1, 1900, and process data *incorrectly or stop processing altogether*. The second shortcoming is some computers will be unable to detect the year 2000 is a leap year and may not register the additional day and data calculations may be incorrect.

The Assessor uses computers for bookkeeping and billing. The Assessor has been assured that the computers in use have been tested and are in compliance with the year 2000 issue.