

RAPIDES PARISH ASSESSOR
Alexandria, Louisiana

Financial Statements
With Independent Auditor's Reports
As of and for the Year Ended December 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 6-16-04

RAPIDES PARISH ASSESSOR
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Financial Statements
With Independent Auditor's Reports
As of and for the Year Ended December 31, 2003

C O N T E N T S

	<u>Statement</u>	<u>Page No.</u>
Independent Auditor's Report		1
Financial Statements:		
Balance Sheet - All Fund Types and Account Groups	A	2
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund Type - General Fund	B	3
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - Governmental Fund Type - General Fund	C	4
Notes to the Financial Statements		5
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		12

HERBIE W. WAY
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Independent Auditor's Report

HONORABLE RALPH R. GILL
RAPIDES PARISH ASSESSOR
Alexandria, Louisiana

I have audited the financial statements of the Rapides Parish Assessor as of and for the Year Ended December 31, 2003, as listed in the table of contents. These financial statements are the responsibility of the Rapides Parish Assessor's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Rapides Parish Assessor at December 31, 2003, and the results of 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 7, 2004, on my consideration of the internal control over financial reporting and my tests of compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
May 7, 2004

RAPIDES PARISH ASSESSOR
 Alexandria, Louisiana
 ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet, December 31, 2003

	GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS AND OTHER DEBITS			
Cash and cash equivalents	\$570,832		\$570,832
Receivables			
Ad valorem taxes	826,337		826,337
State revenue sharing	36,342		36,342
Other debits - office furnishings and equipment		\$369,403	369,403
TOTAL ASSETS AND OTHER DEBITS	<u>\$1,433,511</u>	<u>\$369,403</u>	<u>\$1,802,915</u>
LIABILITIES, EQUITY, AND OTHER CREDITS			
Liabilities - deferred revenues	\$29,592	NONE	\$29,592
Equity and Other Credits:			
Investment in general fixed assets		\$369,403	369,403
Fund balance - unreserved - undesignated	\$1,403,918		1,403,918
Total Equity and Other Credits	<u>1,403,918</u>	<u>369,403</u>	<u>1,773,322</u>
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	<u>\$1,433,511</u>	<u>\$369,403</u>	<u>\$1,802,915</u>

The accompanying notes are an integral part of this financial statement.

RAPIDES PARISH ASSESSOR
 Alexandria, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance
 For the Year Ended December 31, 2003

REVENUES

Taxes - ad valorem	\$874,889
Intergovernmental revenues - state grants - state revenue sharing	54,513
Use of money - interest earnings	12,971
Preparing tax rolls, etc.	45,747

Total revenues	988,119

EXPENDITURES

General government - taxation:	
Current:	
Personal services and related benefits	780,368
Operating services	181,950
Travel and other charges	34,954
Capital outlay	5,059

Total expenditures	1,002,332

DEFICIENCY OF REVENUES OVER EXPENDITURES

(14,212)

FUND BALANCE AT BEGINNING OF YEAR

1,418,131

FUND BALANCE AT END OF YEAR

\$1,403,918

The accompanying notes are an integral part of this financial statement.

RAPIDES PARISH ASSESSOR
 Alexandria, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis and Actual)
 For the Year Ended December 31, 2003

	ACTUAL	ADJUSTMENTS	ACTUAL ON BUDGET BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES					
Taxes - ad valorem	\$874,889	(\$22,861)	\$852,028	\$800,000	\$52,028
Intergovernmental revenues - state grants - state revenue sharing	54,513	(44)	54,469	54,000	469
Use of money - interest earnings	12,971		12,971	8,000	4,971
Preparing tax rolls, etc.	45,747		45,747	28,000	17,747
Total revenues	988,119	(22,905)	965,215	890,000	75,215
EXPENDITURES					
General government - taxation:					
Current:					
Salaries:					
Assessor	93,090		93,090	85,600	(7,490)
Deputies	420,274		420,274	435,000	14,726
Others	45,028		45,028	44,000	(1,028)
Related benefits	221,976		221,976	256,500	34,524
Office expenses	84,351		84,351	85,000	649
Travel	12,901		12,901	20,000	7,099
Automobile expenses	12,744		12,744	20,000	7,256
Assessor's expense allowance	9,309		9,309	8,560	(749)
Legal and accounting fees	97,599		97,599	200,000	102,401
Capital outlay	5,059		5,059	3,000	(2,059)
Total expenditures	1,002,332	NONE	1,002,332	1,157,660	155,328
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(14,212)	(22,905)	(37,117)	(267,660)	230,543
FUND BALANCE AT BEGINNING OF YEAR	1,418,131	(834,174)	583,957	450,000	133,957
FUND BALANCE AT END OF YEAR	\$1,403,918	(\$857,079)	\$546,840	\$182,340	\$364,500

The accompanying notes are an integral part of this financial statement.

RAPIDES PARISH ASSESSOR
Alexandria, Louisiana

Notes to the Financial Statements
As of December 31, 2003, and for the Year Then Ended

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 term of four years, beginning January 1 following the year in which elected. 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 necessary for the efficient operation of his office and to 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining the governmental reporting entity and components units that should be included within the reporting entity. Because the assessor is an independently elected official (governing body) and is legally separate and is fiscally independent, the assessor is a separate governmental reporting entity. The assessor includes all funds, account groups, activities, et cetera, that are within its oversight responsibility.

Certain units of local government over which the assessor exercises no oversight responsibility, such as the parish police jury, the parish school board, the parish clerk of court, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the assessor.

B. FUND ACCOUNTING

The assessor uses a fund (General Fund) and an account group to report on its financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. The General Fund is the general operating fund of the assessor and accounts for all financial resources.

An account group is a financial reporting device designed to provide accountability for certain assets (general fixed assets) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

RAPIDES PARISH ASSESSOR
Alexandria, Louisiana
Notes to the Financial Statements
(Continued)

C. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund (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 this fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting the governmental type (General Fund). 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 uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the assessor.

Based on the above criteria, ad valorem tax and the related state revenue sharing are treated as susceptible to accrual.

Expenditures

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

D. BUDGET PRACTICES

A proposed budget is published in the official journal at least ten days prior to a public hearing. The public hearing is held at the assessor's office during the month of December for comments from taxpayers. The proposed budget is then legally adopted and amended during the year, as necessary, by the assessor. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

RAPIDES PARISH ASSESSOR
Alexandria, Louisiana
Notes to the Financial Statements
(Continued)

Formal budgetary integration is not employed as a management control device during the year. Encumbrances are not recorded or recognized in the budget of the assessor. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit accounts. Cash equivalents include amounts in time deposits. Under state law, the assessor may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with fiscal agent banks organized under the laws of the State of Louisiana and national banks having their principal offices in Louisiana.

F. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. Fixed assets are valued at historical cost.

G. COMPENSATED ABSENCES

Employees of the assessor's office earn 10 days of vacation leave and 10 days of sick leave each year. All leave must be used in the year it is earned.

Based on the policies of the assessor, relating to vacation and sick leave, there are no accumulated or vested benefits relating to compensated absences, at December 31, 2003, which require recognition or disclosure to conform with generally accepted accounting principles.

H. TOTAL COLUMNS

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

2. LEVIED TAXES

The Rapides Parish Assessor is authorized to levy a 2-mill ad valorem tax to operate his office. The assessor levied 2.03 mills in 2003. The difference between authorized and levied millages is the result of reassessment of the taxable property required by Article 7, Section 18 of the Louisiana Constitution of 1974.

RAPIDES PARISH ASSESSOR
 Alexandria, Louisiana
 Notes to the Financial Statements
 (Continued)

3. CASH AND EQUIVALENTS

At December 31, 2003, the assessor has cash and cash equivalents (book balances) as follows:

Demand deposits (interest bearing)	\$353,113
Time and certificates of deposit	217,719
 Total	 <u>\$570,832</u>

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. Cash and cash equivalents (bank balances) totaling \$590,758 at December 31, 2003, are secured by approximately \$200,000 of federal deposit insurance (GASB Category 1) and \$390,758 of pledged securities held a custodial bank in the name of the fiscal agent bank (GASB Category 3).

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the assessor, they are considered uncollateralized under the provisions of GASB Codification 150.163(b); however, 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 bank has failed to pay deposited funds upon demand.

4. CHANGES IN GENERAL FIXED ASSETS

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

Beginning Balance	\$376,678
Additions	5,059
Deductions	(12,334)

 Ending Balance	 <u>\$369,403</u>

RAPIDES PARISH ASSESSOR
Alexandria, Louisiana
Notes to the Financial Statements
(Continued)

5. PENSION PLAN

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

The assessor and all full-time employees who are under the age of 60 and are not drawing earned retirement benefits from any other public retirement system in Louisiana are required to participate in the system. Members who retire at or after age 55 with at least 12 years of creditable service or who retire with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3.333 per cent of their highest monthly average final compensation for each year of creditable service, not to exceed 100 per cent of their monthly average final compensation. Monthly average final compensation is the member's average salary during the 36 consecutive months that produce the highest average. Members who terminate with at least 12 years of service and who 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 the Louisiana Assessor's Retirement System, Post Office Box 14699, Baton Rouge, Louisiana 70898, or by calling (800) 925-4446.

Plan members, at December 31, 2003, are required by state statute to contribute 8 percent of the annual covered salary and the Rapides Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 14 percent. Contributions to the system include one-fourth of one percent (one per cent 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 Rapides 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 year. The Rapides Parish Assessor's contributions to the System for the years ended December 31, 2003, 2002, and 2001, were \$73,174, \$58,941, and \$36,370, equal to the required contributions for each year.

6. DEFERRED REVENUES

In accordance with Louisiana law, the parish tax collector remits taxes paid under protest to the individual taxing authorities within the parish. Accordingly, these funds are segregated by the Assessor through the use of a protest tax account and recorded as a deferred revenue until a judicial determination has been issued.

At December 31, 2003, the Assessor has segregated \$29,592 in protested taxes. This amount is recorded as a deferred revenue on Statement A.

RAPIDES PARISH ASSESSOR
Alexandria, Louisiana
Notes to the Financial Statements
(Continued)

7. EXPENDITURES OF THE ASSESSOR PAID
BY THE PARISH POLICE JURY

The assessor's office is located in the parish courthouse. Expenditures for operation and maintenance of the parish courthouse, as required by state statute, are paid by the Rapides Parish Police Jury and are not included in the accompanying financial statements.

Independent Auditor's Report Required
by Government Auditing Standards

The following independent auditor's report is presented in compliance with *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

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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**

RAPIDES PARISH ASSESSOR
Alexandria, Louisiana

I have audited the financial statements of the Rapides Parish Assessor as of December 31, 2003, for the year then ended and have issued my report thereon dated May 7, 2004. 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 part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the 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 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

RAPIDES PARISH ASSESSOR
Alexandria, Louisiana
Compliance and Internal Control Report
(Continued)

Prior Audit Findings

The audit for the year ended December 31, 2002, disclosed no instances of noncompliance that were required to be reported under *Government Auditing Standards* or matters involving the internal control over financial reporting and its operation that were considered to be material weaknesses.

Under Louisiana Revised Statute (LSA-R.S.) 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
May 7, 2004