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Release Date ~~page 1 of 108~~

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LEGISLATIVE SERVICES

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**WEBSTER PARISH ASSESSOR
Minden, Louisiana**

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1997**

WIBSTER PARISH ASSessor
Minors, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1997

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Independent Auditor's Report

HONORABLE KERRY D. BURNS, CPA
WEBSTER PARISH ASSESSOR
Minden, Louisiana

I have audited the general purpose financial statements of the Webster Parish Assessor, a component unit of the Webster Parish Police Jury, as of December 31, 1997, and for each of the years in the two year period then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Webster Parish Assessor's management. 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 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 above present fairly, in all material aspects, the financial position of the Webster Parish Assessor as of December 31, 1997, and the results of operations for each of the years in the two year period then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated July 2, 1998, on my consideration of Webster Parish Assessor's internal control structure and a report dated July 2, 1998, on compliance with laws, regulations and contracts.

West Monroe, Louisiana
July 2, 1998

MEMBER FIRM OF
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

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ACCOUNTANTS

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ACCOUNTING, AUDITING
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**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

WEBSTER PARISH ASSessor
Minden, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet, December 31, 1997

	GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUPS		TOTAL (MINOR AMOUNT ONLY)
		GENERAL FUND ASSETS	GENERAL LONG-TERM DEBT	
ASSETS AND OTHER DEBITS				
Cash	\$344,338			\$344,338
Receivables	883,129			883,129
Other assets	475			475
Office furnishings and equipment		\$174,126		174,126
Amount to be provided for retirement of long-term debt			\$3,279	3,279
TOTAL ASSETS AND OTHER DEBITS	<u>\$1,227,966</u>	<u>\$174,126</u>	<u>\$3,279</u>	<u>\$1,405,369</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$1,998			\$1,998
Capital lease payable			\$3,279	3,279
Total Liabilities	<u>1,998</u>	<u>NONE</u>	<u>3,279</u>	<u>3,273</u>
Fund Equity:				
Investment in general fund assets		\$174,126		174,126
Fund balance - unreserved - undesignated	<u>1,227,966</u>			1,227,966
Total Fund Equity	<u>1,227,966</u>	<u>174,126</u>	<u>NONE</u>	<u>1,402,092</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,229,962</u>	<u>\$174,126</u>	<u>\$3,279</u>	<u>\$1,407,367</u>

The accompanying notes are an integral part of this statement.

WHESTER PARISH ASSessor
Hindon, 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, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE UNFAVORABLE</u>
REVENUES			
Taxes - ad valorem	\$660,000	\$721,807	\$61,807
Intergovernmental revenues -			
state grant - state income sharing	150,000	150,745	745
Fees, charges, and commissions for services	25,000	18,504	(6,496)
Use of money and property - interest earnings	15,000	13,234	(1,766)
Other revenue		25	25
Total revenues	<u>865,000</u>	<u>904,732</u>	<u>39,732</u>
EXPENDITURES			
General government - taxation:			
Current:			
Personal services and related benefits	678,000	717,111	(47,111)
Operating services	68,000	34,593	33,407
Materials and supplies	100,000	83,907	16,093
Travel and other charges		15,385	(15,385)
Capital outlay	20,000	15,280	4,720
Debt service		1,452	(1,452)
Total expenditures	<u>866,000</u>	<u>872,728</u>	<u>7,728</u>
EXCESS OF REVENUES OVER EXPENDITURES	NONE	72,459	72,459
FUND BALANCE AT BEGINNING OF YEAR	<u>1,035,800</u>	<u>1,135,587</u>	<u>109,787</u>
FUND BALANCE AT END OF YEAR	<u>\$1,035,800</u>	<u>\$1,227,866</u>	<u>\$221,966</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH ASSessor
Minden, Louisiana
GOVERNMENTAL FUNDS - TYPE I - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (OR UNFAVORABLE)</u>
REVENUES			
Taxes - ad valorem	\$660,000	\$639,484	(\$20,516)
Intergovernmental revenues -			
state grant - state revenue sharing	140,000	149,611	9,611
Fees, charges, and commissions for services	25,000	39,206	(4,794)
Use of money and property - interest earnings	25,000	14,704	(10,296)
Total revenues	<u>850,000</u>	<u>824,005</u>	<u>(25,995)</u>
EXPENDITURES			
General government - taxation			
Current:			
Personal services and related benefits	665,000	634,646	30,354
Operating services	75,000	28,112	46,888
Materials and supplies	110,000	56,175	53,825
Travel and other charges		19,979	(19,979)
Capital outlay	25,000	4,809	20,191
Debt service		2,182	(2,182)
Total expenditures	<u>875,000</u>	<u>748,899</u>	<u>118,101</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(125,000)</u>	<u>67,908</u>	<u>92,908</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>998,000</u>	<u>1,007,716</u>	<u>77,716</u>
FUND BALANCE AT END OF YEAR	<u>\$863,000</u>	<u>\$1,084,824</u>	<u>\$119,824</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH ASSessor
Minden, Louisiana

Notes to the Financial Statements
As of and For the Two Years Ended December 31, 1997

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the assessor is elected by the voters of the parish and serves a term of four years, beginning January 1 following the year in which elected. 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.

At December 31, 1997, there are 118,409 real and movable assessment listings totaling \$66,760,875, and \$77,111,340, respectively. For the year ended December 31, 1996, there were 123,779 real and movable assessment listings totaling \$65,485,845, and \$66,219,960, respectively. This represents decreases of 5,370 and 1,974 assessment listings for the years ended December 31, 1997 and December 31, 1996, respectively. The total assessed valuations increased by \$12,166,980 and \$10,174,815 for the years ended December 31, 1997 and December 31, 1996, respectively.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Webster Parish Police Jury is the financial reporting entity for Webster Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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 (GASB) Statement No. 14 establishes criteria for determining which component units should be considered part of the Webster Parish Police Jury for financial reporting purposes. The basic criteria 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:

WEBSTER PARISH ASSessor

Minden, Louisiana

Notes to the Financial Statements (Continued)

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury 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 police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse in which the assessor's office is located, the assessor was determined to be a component unit of the Webster Parish Police jury, 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 police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. 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 related to certain government 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. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) 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.

WIBSTER PARISH ASSESSOR

Minden, Louisiana

Notes to the Financial Statements (Continued)

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The assessor's current operations require only the use of governmental funds (General Fund). All revenues (tax revenues authorized by Act 17 of 1990, is accounted for in this fund. General operating expenditures are paid from this fund.

C. GENERAL FIXED ASSETS AND LONG-TERM DEBT

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. Fixed assets provided by the police jury are not recorded in the general fixed assets account group. Approximately 80 per cent of fixed assets are valued at actual historical costs, based on the actual costs of like items, while the remaining 20 per cent are based on estimated historical costs. No depreciation has been provided on general fixed assets. Long-term debt, such as capital leases, are recognized as a liability of a governmental fund only when due. The remaining portion of such debt is reported in the general long-term debt account group.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are 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. Operating statements for these funds present 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 all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are 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:

WIBSTER PARISH ASSESSOR

Monroe, Louisiana

Notes to the Financial Statements (Continued)

Revenues

All valorem taxes and the related state revenue sharing are recorded in the year the taxes are assessed. All valorem taxes are assessed on a calendar year basis, attached 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 47:1983 requires that the tax roll be filed on or before November 15 of each year. All 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.

Fees for preparing tax rolls are recorded in the period in which they are earned.

Interest income on demand deposits is recorded monthly when the interest is earned and credited to the assessor's account.

Based on the above criteria, all valorem taxes, state revenue sharing and fees for preparing tax rolls have been treated as susceptible to accrual.

Expenditures

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

B. BUDGET PRACTICES

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the assessor and amended during the year, as necessary. The budget is established and controlled by the assessor at the object level of expenditures. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the assessor.

Fund budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

WIBSTER PARISH ASSESSOR

Minden, Louisiana

Notes to the Financial Statements (Continued)

F. CASH

Under state law, the assessor may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The assessor may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1997, the assessor has demand deposits (bank balances) totaling \$344,358.

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. Deposit balances (bank balances) at December 31, 1997, are secured as follows:

Bank balances	<u>\$344,358</u>
Federal deposit insurance	\$00,000
Pledged securities (uncollateralized)	<u>938,414</u>
Total	<u>\$1,082,414</u>

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 (Category 3) under the provisions of GASB Codification C20.108, however, Louisiana Revised Statute 38:1229 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. Further, LRS 38:1224 states that securities held by a third party shall be deemed to be held in the assessor's name.

G. VACATION AND SICK LEAVE

Employees of the assessor's office earn from 10 to 30 days of vacation leave each year, depending on length of service. Vacation leave must be taken in the year earned.

WISSETER PARISH ASSessor

Minden, Louisiana

Notes to the Financial Statements (Continued)

Employees earn 5 days of sick leave each year, plus one day of sick leave for each year of service. Sick leave must may be accumulated, but lapses upon resignation or retirement.

The cost of leave privileges, computed in accordance with GASB Codification Section 090, is recognized as a current-year expenditure in the General Fund when leave is actually taken.

II. TOTAL COLUMN ON THE BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis (overview). 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. PRINCIPAL TAXPAYERS

The following are the principal taxpayers for the parish and their 1997 assessed valuation:

	1997 Assessed Valuation	Per cent of Total Assessed Valuation
International Paper Company	\$68,797,541	45.68%
Fibershed Corporation	13,810,001	8.77%
Coastal Towing, Inc.	5,943,340	3.82%
Marathon Oil Company	5,106,230	3.24%
Energy Services, Inc.	4,570,140	2.90%
Deltacath Communications	2,886,360	1.83%
Sugar Exploration Company	2,684,120	1.68%
Cingular Telephones of NW LA, Inc.	2,345,210	1.48%
Minden Bank & Trust Company	\$2,288,740	1.45%
Kansas City Southern RR Company	<u>2,193,080</u>	<u>1.39%</u>
Total	<u>\$149,709,162</u>	<u>68.97%</u>

WEBSTER PARISH ASSessor
Minden, Louisiana
Notes to the Financial Statements (Continued)

3. RECEIVABLES

The General Fund receivables of \$882,129 at December 31, 1997, are as follows:

Class of Receivable	
Taxes - ad valorem	\$713,443
Intra-governmental revenues - state grant - state revenue sharing (net)	150,745
Fees, charges, and commissions for services	<u>16,937</u>
Total	<u>\$882,129</u>

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in officers furnishings and equipment follows:

Balance at January 1, 1996	\$170,924
For the year ended December 31, 1996:	
Additions	4,809
Deductions	(2,071)
For the year ended December 31, 1997:	
Additions	\$13,280
Deductions	<u>(12,814)</u>
Balance at December 31, 1997	<u>\$174,126</u>

General fixed assets as of January 1, 1996 have been restated to reflect a change of \$18,014 due to errors discovered subsequent to the issuance of the prior year financial statements.

5. PENSION PLAN

Substantially all employees of the Webster Parish Assessor's office are members of the Louisiana Assessor's 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 58 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.

WEBSTER PARISH ASSessor

Ninety, Louisiana

Notes to the Financial Statements (Continued)

payable monthly for life, equal to 3 per cent of their final-average salary for each year of credited service, not to exceed 100 per cent 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 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 (518) 425-4448.

Plan members are required by state statute to contribute 7.00 per cent of their annual covered salary and the Webster Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 5.35 per cent of annual covered payroll. Contributions to the system include one-fourth of one per cent (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 Webster Parish Assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:903, 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 Webster Parish Assessor's contributions to the system for the years ending December 31, 1997, 1996, and 1995, were \$31,673, \$25,445, and \$27,032, respectively, equal to the required contributions for each year.

6. POST RETIREMENT BENEFITS

The Webster Parish Assessor provides certain continuing health care and life insurance benefits for its 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 the assessor. The assessor recognizes the cost of providing the benefits (assessor's cost of premiums) as an expenditure when the monthly premiums are paid. For the years ended December 31, 1997 and 1996, the total amount of premiums paid were \$72,803 and \$47,898, respectively, while the amounts paid for retirees totaled \$1,073 and \$825, respectively.

WIBSTER PARISH ASSessor

Minden, Louisiana

Notes to the Financial Statements (Continued)**7. CAPITAL LEASES**

The assessor records items under capital leases as an asset and an obligation in the accompanying financial statements. In June, 1993, the assessor entered into a lease-purchase agreement for the acquisition of a Hewlett-Packard Auto-Cad System with 36 monthly payments of \$1,685 each. This lease expired in 1996.

In September, 1995, the assessor entered into a lease-purchase agreement for the acquisition of a Toshiba Telephone System with 48 monthly payments of \$132 each.

The following is a schedule of future minimum lease payments together with the net present value of minimum lease payments at December 31, 1997:

<u>Year</u>	
1998	\$2,394
1999	<u>1,368</u>
Total minimum lease payments	\$3,762
Less amount representing interest	<u>(1,071)</u>
Present value of minimum lease payments	<u>\$2,779</u>

The following is a summary of capital lease-purchase transactions for the two years ended December 31, 1997:

Capital lease-purchase payable at January 1, 1996	\$12,845
For the year ended December 31, 1996:	
Additions	NONE
Retirements	(8,300)
For the year ended December 31, 1997:	
Additions	NONE
Retirements	<u>(771)</u>
Capital lease-purchase payable at December 31, 1997	<u>\$2,779</u>

8. OPERATING LEASES

The assessor has operating leases of the following nature:

WEBSTER PARISH ASSESSOR

Minden, Louisiana

Notes to the Financial Statements (Continued)

1. 1994 Chevrolet C-10 Extended Cab Pick-Up - 36 month operating lease beginning in October, 1994, with monthly payments of \$379. This lease expired in 1997.
2. 1994 Chevrolet Suburban - 36 month operating lease beginning in October, 1994, with monthly payments of \$345. This lease expired in 1997.
3. 1995 Chevrolet Extended Cab Pick-Up - 36 month operating lease beginning in June, 1995, with monthly payments of \$372.
4. Canon Fax Machine and Canon Copy Machine - 36 month operating lease beginning in September, 1995, with monthly payments of \$338.
5. 1998 Chevrolet Extended Cab Pick-Up - 36 months operating lease beginning in September, 1997, with monthly payments of \$690.

The minimum annual commitments under noncancelable operating leases are as follows:

<u>Year</u>	<u>Payments</u>
1998	\$13,778
1999	<u>5,531</u>
Total minimum annual commitments	<u>\$19,309</u>

9. LITIGATION AND CLAIMS

At December 31, 1997, the Webster Parish Assessor is not involved in any litigation nor is he aware of any asserted claims.

10. EXPENDITURES OF THE ASSESSOR'S OFFICE PAID BY THE POLICE JURY

The Webster Parish Assessor's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4713, is paid by the Webster Parish Police Jury.

**Independent Auditor's Reports Required
by Government Auditing Standards**

The following independent auditor's reports on compliance with laws, regulations and contracts and internal control structure are presented in compliance with the requirements of *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.



**Independent Auditor's Report on
Compliance With Laws, Regulations and Contracts**

HONORABLE KERRY D. BURNS, CLA
WEBSTER PARISH ASSESSOR
Minden, Louisiana

I have audited the general purpose financial statements of the Webster Parish Assessor, a component unit of the Webster Parish Police Jury as of December 31, 1997, and for each of the years in the two year period then ended, and have issued my report thereon dated July 2, 1998.

I conducted my audit in accordance with generally accepted auditing standards; 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. These standards, and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws and regulations applicable to the Webster Parish Assessor is the responsibility of the ambulatory service's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Webster Parish Assessor's compliance with certain provisions of laws, regulations, and contracts. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

Material instances of noncompliance are failures to follow requirements or violations of prohibitions, contained in laws, regulations, or contracts that cause me to conclude that the aggregation of these failures or violations is material to the primary government financial statements. The results of my tests of compliance disclosed material instances of noncompliance listed in the accompanying schedule of findings and questioned costs as finding numbers 97-1 and 97-2.

VERNON R. COON
CHARTERED ACCOUNTANT

**OFFICE OF LOUISIANA
GOVERNMENTAL AUDITORS**

**OFFICE OF THE COMPTROLLER
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AND THE LOUISIANA LEGISLATIVE
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HONORABLE KERRY G. BURNS, CLA
WEBSTER PARISH, ASSessor
Minden, Louisiana
Independent Auditor's Report
on Compliance, etc.,
December 31, 1997

I considered these instances of noncompliance in forming my opinion on whether the Webster Parish Assessor's financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated July 2, 1998, on these general purpose financial statements.

This report is intended for the information of the Webster Parish Assessor. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
July 2, 1998



**Independent Auditor's Report
on Internal Control Structure**

**HONORABLE KERRY D. BURKS, CLU
WEBSTER PARISH ASSESSOR
Minden, Louisiana**

I have audited the general purpose financial statements of the Webster Parish Assessor, as of December 31, 1997, and for each of the years in the two-year period then ended, and have issued my report thereon dated July 2, 1998.

I conducted my audit in accordance with generally accepted auditing standards; 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. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Webster 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 transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of the Webster Parish Assessor for the two years ended December 31, 1997, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures

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HONORABLE KERRY G. BURNS, CLA
WEBSTER PARISH ASSESSOR
Minden, Louisiana
Independent Auditor's Report
on Internal Control Structure,
December 31, 1998

and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the ambulance service's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. These reportable conditions are listed in the accompanying schedule of findings and questioned costs as finding numbers 97-1 through 97-5.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses as defined above. However, I believe the reportable conditions described above to be material weaknesses.

I also noted other matters involving the internal control structure and its operation that I have reported to the assessor in a separate letter dated July 2, 1998.

This report is included for the information of the Webster Parish Assessor. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
July 2, 1998

Webster Parish Assessor
Minden, La.Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1997**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report includes an unqualified opinion on the general purpose financial statements of the Webster Parish Assessor.
2. Two instances of noncompliance material to the financial statements of Webster Parish Assessor were disclosed during the audit.
3. Three reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT**97-1 Need to Report Expense Allowance on W-2**

Findings: During my test of expenditures, I noted that the assessor's expense allowance was not reported on Internal Revenue Form W-2 or on Form 1099. Internal Revenue Service regulations require that all taxable earnings be reported on Form W-2 or 1099. Since the assessor's expense allowance is additional compensation for his position, it should be reported on his W-2.

Recommendation: I recommend that the assessor's expense allowance as well as his salary be reported on Form W-2.

97-2 Violation of Audit Requirement

Findings: The audit of the Webster Parish Assessor was not completed in a timely manner. Louisiana Revised Statute 24:513 (A)(3)(a) requires that the audit be completed within six months of the close of the assessor's fiscal year.

Webster Parish Assessor
Minden, La.

Schedule of Findings and Questioned Costs (Contd.)
For the Year Ended December 31, 1997

Because the assessor's accounting records had not been maintained on a timely basis, as discussed in Finding 97-3, the assessor was unable to provide financial records to the auditor in sufficient time for the audit to be completed within the prescribed period.

Recommendation: In the future, the assessor should ensure that necessary records are available in sufficient time to ensure that audits are completed within the time period prescribed by state law.

90-3 **Need to Maintain Current Accounting Records**

Findings: A proper system of internal controls requires that the assessor maintain current and accurate accounting records. As of May 25, 1998, the assessor's books for 1997 had not been closed and the bookkeeper could not provide me with a general ledger or a cash receipts and disbursements ledger. Also, for the two years ended December 31, 1997, no revenues had been posted to the assessor's general ledger. In addition, I noted that monthly bank reconciliations had not been prepared during the two years.

Recommendation: The assessor should ensure that accurate and up to date accounting records are maintained. All transactions should be recorded as they occur and bank accounts should be reconciled monthly.

97-4 **Fund Balance Should Be Reconciled**

Findings: The beginning fund balance of the General Fund for the year ended December 31, 1997 exceeded the December 31, 1996 ending fund balance by

Webster Parish Assessor
Minden, La.Schedule of Findings and Questioned Costs (Contd.)
For the Year Ended December 31, 1997

\$30,600. During the course of the audit, the deputy responsible for posting the accounting records made several entries to fund balances to record receipts for the year ended December 31, 1997 and adjust the balance sheet accounts at year end. Because of the condition of the accounting records as noted in finding 97-3 above, I was unable to determine the cause of the difference.

Recommendation: The assessor should ensure that the ending fund balance of any year agrees with the beginning fund balance of the ensuing year. Accurate and current accounting records should be maintained to ensure that any differences can be identified.

97-5 Expenditures Should be Properly Supported

Finding: During my test of expenditures, I noted that twelve or 18 per cent of the sixty-nine valid sample items tested were not supported by original invoices or other adequate documentation. It should be noted that three twelve exceptions were for travel expenses. The assessor's policy is to pay employees \$20 per day for business trips. I was later provided with explanations of the nature of these trips, however, I believe that all travel should be supported by travel expense vouchers detailing the destination, purpose of the trip, duration of the trip, and any other pertinent information as may be necessary to support the expenditure.

Recommendation: In the future, the assessor should ensure that all disbursements are supported by original invoices or other forms of documentation, such as travel expense vouchers. In addition, all disbursements should be reconciled to the supporting documentation by someone other than the party preparing the check before the disbursement is made.

(Concluded)

Webster Parish Assessor
Minden, La.

Schedule of Prior Year Findings
For the Year Ended December 31, 1997

The audit report for the year ended December 31, 1999 contained no findings.



KERRY O. BURNS, CLA
ASSESSOR
Webster Parish

P.O. BOX 700

MONROE, LOUISIANA 70004-0704

TELEPHONE 225-387-8211

July 7, 1998

Werner H. Coon, CPA
110 Professional Drive
West Monroe, LA 71280

Dear Mr. Coon:

The Webster Parish Assessor respectfully submits the following corrective action plan for the two years ended December 31, 1997.

Audit Period: January 1, 1996 – December 31, 1997

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers in the schedule. Section 4 of the schedule, Summary of Audit Results, does not include findings and is not addressed.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

REPORTABLE CONDITIONS

87-1 Recommendation: I recommend that the assessor's expense allowance as well as his salary be reported on Form W-2.

- **Action to be taken:** This was an oversight and has been taken care of by filing an 1099 and a corrected W-2 with the Internal Revenue Service. A copy of this correction is being furnished to you for your review and for your records.

87-2 Recommendation: In the future, the assessor should ensure that necessary records are available in sufficient time to ensure that audits are completed within the time period prescribed by state law.

- **Action to be taken:** During the years of 1996 and 1997, we experienced numerous problems with our computers and accounting program. This resulted in manual transactions which caused further delays. In addition, our assistant responsible for maintaining our records had three sudden deaths in her immediate family during the past two years and a very serious illness which affected her infant child during which he had two serious surgeries with many complications. While we are in complete agreement that this is a personal matter, it did have a direct impact upon our office. We have purchased a new computer system and new accounting software which we are in the process of implementing now. Denise Edwards is in charge of handling this task. Everything (past and current) should be entered into this new program by the end of July, 1998. Our previous program was purchased in 1988 to be used on an Apple III Computer and would run only under DOS - no Windows 3.1 or Windows 95. We were previously running it under DOS on a computer with

Windows 3.0. When we converted that computer to Windows 3.0, we encountered numerous other problems. The actual program disks were on floppy disks 5.0 and our server computer accessed only floppy 3.0 disks. These problems will all be taken care of immediately and we do not anticipate their recurrence.

97-3 Recommendation: The assessor should ensure that accounts and up to date accounting records are maintained. All transactions should be recorded as they occur and bank accounts should be reconciled monthly.

ASSURE TO DO THIS: We have begun using the new computer system and accounting software. All transactions are recorded as they occur and bank accounts are reconciled on the new program. All year-to-date information, previous balances and current information is being entered and posted immediately.

97-4 Recommendation: The assessor should ensure that the ending fund balance of any year agrees with the beginning fund balance of the ensuing year. Accounts and current accounting records should be maintained to ensure any differences can be identified.

- ASSURE TO DO THIS:** This will be taken care of immediately. It will coincide with the corrective action on item 97-2 and 97-3 and will not be a future problem.

97-5 Recommendation: In the future, the assessor should ensure that all disbursements are supported by original invoices or other forms of documentation, such as travel expense vouchers. In addition, all disbursements should be reconciled to the supporting documentation by someone other than the party preparing the check before the disbursement is made.

- ASSURE TO DO THIS:** All disbursements will be supported by original invoices or other forms of documentation beginning immediately. This has always been our policy but I will be sure that it is more strictly enforced in the future. We have implemented a travel voucher form to be attached to all checks relating any travel expense. We have approved this form with the auditor to be sure that it contains all necessary information upon it.

Sincerely,



Barry G. Burns, CIA
Wetmore Parish Assessor



July 1, 1988

RECEIVED
1988 JUL 10 AM 9:38

MANAGEMENT LETTER

WEBSTER PARISH ASSESSOR
Minden, Louisiana

VERNON COON
OFFICER OF COMPANY
PUBLIC ACCOUNTANTS

OFFICE OF LOUISIANA
REGISTERED PUBLIC
ACCOUNTANTS

PROFESSIONAL LIMITED TO
BUSINESS AND
ACCOUNTING, TAXING
AND FINANCIAL SERVICES

In planning and performing my audit of the Webster Parish Assessor's financial statements for the two years ended December 31, 1987 certain matters came to my attention which I believe should be conveyed to the assessor. These matters, while not appropriate for inclusion in the various auditor's reports accompanying the financial statements, are items which I believe should be brought to your attention.

Use of Credit Cards

During the course of my audit, I noted that the assessor and employees of the office charged goods to the assessor's American Express credit cards. I understand that the assessor was able to obtain these cards by relying on his own credit rating and considers these cards to be personal and not those of his office. It should also be noted, that considerable audit time was consumed trying to determine that no personal charges were paid by the assessor's office. I was able to satisfy myself that no such charges were paid with office funds. I recommended that the assessor either obtain separate cards for the exclusive use of the office or that the use of credit cards be eliminated.

Maintenance of General Fixed Asset Records

Although I received a complete listing of the assessor's general fixed assets, the list was not updated until June, 1988. I was informed, by the bookkeeper, that because of a computer failure during 1985, the fixed asset records were lost. The bookkeeper also informed me that she maintained a manual record throughout the audit period but she wanted to be sure it was correct before she prepared the final listing. I recommended that current fixed records be maintained and that monthly reports be printed and retained as part of the assessor's permanent records. I further recommended that all computer systems be backed up on a regular basis so that, in the event of a computer failure, only the most recent information will be lost.

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New Orleans,
Louisiana 70112
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WEINSTEIN PARISH ASSESSOR
Minden, Louisiana
Page Two

Need to Evaluate Employee Compensation

During the course of my audit I noted that compensation to the thirteen employees for the year 1997 was \$534,400, or an average of \$41,108 per employee. I was informed that some employees receive higher salaries because they perform more than one job or function. The employee responsible for the maintenance of accounting records was the highest paid employee. It should be noted that the audit report for the two years ended December 31, 1997 contains several findings related to the maintenance of accounting records.

I recommend that the assessor obtain information on employee compensation and number of employees from other assessors' offices of comparable size in the state and reevaluate his employee compensation and number of positions in light of that information.

GENERAL

I am available to assist the assessor with any problems or questions they may have concerning the above or any other matters.

Respectfully,



Vernon R. Coon, CPA



KERRY O. BURNS, CLA
ASSESSOR
Webster Parish

P.O. BOX 104

BOSSIERE, LOUISIANA 70605

TELEPHONE 848 - 0780

July 2, 1988

Vernon H. Coon, CPA
175 Professional Drive
West Monroe, LA 71094

Dear Mr. Coon:

The Webster Parish Assessor respectfully submits the following corrective action plan for the two years ended December 31, 1987.

Audit Period: January 1, 1986 - December 31, 1987

The findings from the management letter are discussed below. The findings are listed as they are in the original management letter.

Recommendation: I recommend that the assessor either obtain separate credit cards for the exclusive use of the office or that the use of credit cards discontinued.

- **Action to be taken:** This matter will be handled immediately by myself. I will discontinue the use of this credit card immediately and either will obtain a new one to be used solely for office use or will discontinue the use of a credit card entirely. One common office purchase on the credit card was for postage. I have ordered a postage meter machine to replace this practice and all office postage will be run through it as soon as it is delivered. I ordered it on Thursday, July 2, 1988, and was told it would be delivered in 3-4 weeks.

Recommendation: I recommend that current fixed asset records be maintained and that monthly reports be printed and retained as a part of the assessor's permanent records. I further recommend that all computer systems be backed up on a regular basis so that, in case of a computer failure, only the most recent information will be lost.

- **Action to be taken:** It is the policy of this office to maintain a current listing of all fixed assets, date of purchase, location and all items are recorded by actual cost with the exception of one page of very old items that not been on the previous list. They were added several years ago when our listing was completely re-done and new tags and numbers were placed on every item belonging to this office. As you stated, when we had a computer failure, we lost the ability to update our list in that system and had to revert to a manual system using the previous lists printed. Our new accounting software will maintain our fixed asset listing properly and it will be kept current with backups made on an image just drive that we purchased with the new system.

July 1, 1958

Recommendation: I recommend that the assessor obtain information on employee compensation and number of employees from other assessment offices of comparable size in the state and reevaluate his employee compensation and number of positions in light of that information.

- **Action to be Taken:** I will obtain information on employee compensation at other offices and reevaluate employee compensation here. I will begin collecting data for this project immediately and will evaluate the job performed by each employee here and their rate of pay. Education and experience will also be used as an important factor. All deputies in my office are required to pass and maintain the Certified Louisiana Deputy Assessor status. Some deputies have training that is more extensive in the assessment and appraisal field. I believe that all employees of this office should have training in all aspects of the assessment and appraisal process in order to serve the public effectively.

Sincerely,



Harry D. Harris, C.I.A.
Wilcox Parish Assessor