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# TERREBONNE PARISH ASSESSOR

Annual Financial Report

As of and for the Year Ended  
December 31, 2003

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

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 8-4-04

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Basic Financial Statements  
and Independent Auditor's Reports  
As of and for the Year Ended  
December 31, 2003

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### INDEPENDENT AUDITOR'S REPORT

Honorable Gene P. Bonvillain  
Terrebonne Parish Assessor  
A Component Unit of the  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

I have audited the accompanying basic financial statements of the Terrebonne Parish Assessor, a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2003, as listed in the table of contents. These basic financial statements are the responsibility of the Terrebonne Parish Assessor. My responsibility is to express an opinion on these basic 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 the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Terrebonne Parish Assessor as of December 31, 2003, and the results of operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Terrebonne Parish Assessor has adopted the provisions of

Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments."

In accordance with Government Auditing Standards, I have also issued a report dated June 15, 2004, on my consideration of the Terrebonne Parish Assessor's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations and contracts. 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.

Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

My audit was performed for the purpose of expressing an opinion on the basic financial statements taken as a whole. All other accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Terrebonne Parish Assessor. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Keith J. Rovira  
Certified Public Accountant

June 15, 2004

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Management's Discussion and Analysis  
As of and for the Year Ended December 31, 2003

The Management's Discussion and Analysis (MD&A) of the Terrebonne Parish Assessor's financial performance presents a narrative overview and analysis of the assessor's financial activities for the year ended December 31, 2003. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the basic financial statements.

The MD&A is an element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" issued June, 1999. Comparative information between the current year and prior year is being presented in this MD&A.

#### FINANCIAL HIGHLIGHTS

The minimum requirements for financial reporting on the Terrebonne Parish Assessor's office that was established by GASB No. 34 are divided into the following sections:

- (a) Management's Discussion and Analysis
- (b) Basic Financial Statements
- (c) Required Supplementary Information (other than MD&A)

#### Basic Financial Statements:

The basic financial statements present information for the assessor as a whole, in a format designed to make the statements easier for the reader to understand. The financial statements in this section are divided into the two following types:

(1) Government-Wide Financial Statements, which include a Statement of Net Assets and a Statement of Activities. These statements present financial information for all activities of the assessor from an economic resources measurement focus using the accrual basis of accounting and providing both short-term and long-term information about the assessor's overall financial status.

(2) Fund Financial Statements, which include a Balance Sheet and a

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Management's Discussion and Analysis  
As of and for the Year Ended December 31, 2003

Statement of Revenues, Expenses, and Changes in Fund Balance for the General Fund (a governmental fund). These financial statements present information on the individual fund of the assessor allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements is dependent on the fund type. The assessor's only governmental fund is the General Fund. The statements in this section represent the short-term financing of general government.

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets  
As of December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Current and other assets	\$939,959	\$909,760
Capital assets	<u>5,020</u>	<u>10,464</u>
Total Assets	<u>944,979</u>	<u>920,224</u>
Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
Net Assets:		
Invested in capital assets, net of debt	5,020	10,464
Unrestricted	<u>939,959</u>	<u>909,760</u>
Total Net Assets	<u>\$944,979</u>	<u>\$920,224</u>

The assessor does not have any "restricted" net assets. It does have "unrestricted" net assets, and those are net assets that do not have any limitations on what these amounts may be used for.

Net assets of the assessor increased by \$24,755 or 2.7%, from December 31, 2002 to December 31, 2003. One of the main causes for this is the increase in ad valorem tax revenue.



**TERREBONNE PARISH ASSESSOR**  
 Houma, Louisiana  
 Management's Discussion and Analysis  
 As of and for the Year Ended December 31, 2003

Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 For the year ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Revenues	\$1,107,171	\$1,361,146
Expenditures	<u>1,076,972</u>	<u>1,272,619</u>
Net Change in Fund Balance	<u>\$30,199</u>	<u>\$88,527</u>

The assessor's total revenues decreased by \$253,975, or 18.6%, and the total cost of all programs and services decreased by \$195,647, or 15.4%. This was principally due to the decrease in expenditures related to the Geographical Information System.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

At December 31, 2003, the assessor had \$173,299 invested in capital assets, including office furniture, office equipment and automobiles. This amount represents the total original cost of the capital assets (before deducting accumulated depreciation), and reflects a net decrease (including additions and deductions) of \$2,685 over last year's total. The table below lists capital assets by type, net of accumulated depreciation:

Capital Assets		
As of December 31, 2003 and 2002		
	<u>2003</u>	<u>2002</u>
Office furniture and equipment, net of accumulated depreciation	<u>\$5,020</u>	<u>\$10,464</u>
Total	<u>\$5,020</u>	<u>\$10,464</u>

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Management's Discussion and Analysis  
As of and for the Year Ended December 31, 2003

Debt:

The assessor had no debt outstanding at year end.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Actual total revenues were \$113,171 more than budgeted total revenues. Actual total expenditures were \$42,972 more than budgeted total expenditures.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The assessor considered the following factors and indicators when setting up the 2004 budget. These factors and indicators include: (1) costs associated with the design, development and implementation of the Geographical Information System (GIS) mapping project for the parish; (2) ad valorem tax revenue; (3) additional salaries and related costs due to an increase in health care and retirement contributions; (4) other operating costs of the office in the process of providing services to the public. The assessor expects that next year's revenues will be sufficient to cover expenses.

**CONTACTING THE ASSESSOR**

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the assessor's finances, and to show the assessor's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Mr. Gene P. Bonvillain, Terrebonne Parish Assessor at P. O. Box 5094 in Houma, Louisiana, 70361-5094, or call the office at 985-876-6620.

**BASIC FINANCIAL STATEMENTS**  
**(GOVERNMENT-WIDE FINANCIAL STATEMENTS)**

**TERREBONNE PARISH ASSESSOR**  
 Houma, Louisiana  
 Statement of Net Assets  
 As of December 31, 2003

<b>ASSETS</b>	
Cash (Note C)	\$144,886
Revenue receivables:	
Ad valorem taxes (Note A)	746,266
State revenue sharing	48,807
Capital assets (net of depreciation) (Note D)	<u>5,020</u>
<b>TOTAL ASSETS</b>	<u><b>944,979</b></u>
 <b>LIABILITIES</b>	
<b>TOTAL LIABILITIES</b>	<u><b>-</b></u>
 <b>NET ASSETS</b>	
Invested in capital assets	5,020
Unrestricted	<u>939,959</u>
<b>TOTAL NET ASSETS</b>	<u><b>\$944,979</b></u>

The accompanying notes are an integral part of this statement.

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Statement of Activities  
For the Year Ended December 31, 2003

**EXPENSES**

Governmental Activities:	
General government	\$ 837,521
Intergovernmental expenses -	
Geographical Information System	239,451
Depreciation expense	<u>5,444</u>
Total Expenses	<u>1,082,416</u>

**GENERAL REVENUES**

Ad valorem taxes	833,564
Intergovernmental - Reimbursements	
from Terrebonne Parish Consolidated	
Government for the Geographical	
Information System	215,598
State revenue sharing	48,807
Other	<u>9,202</u>
Total General Revenue	<u>1,107,171</u>
Change in Net Assets	24,755
Net Assets at Beginning of Year	<u>920,224</u>
Net Assets at End of Year	<u>\$944,979</u>

The accompanying notes are an integral part of this statement.

**BASIC FINANCIAL STATEMENTS**  
**(FUND FINANCIAL STATEMENTS)**

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Balance Sheet  
General Fund - Governmental Fund  
December 31, 2003

**ASSETS**

Cash	\$144,886
Revenue receivables:	
Ad valorem taxes	746,266
State revenue sharing	<u>48,807</u>
 TOTAL ASSETS	 <u>\$939,959</u>

**LIABILITIES AND FUND BALANCE**

Liabilities:	<u>-</u>
Fund balance - unreserved and undesignated	\$939,959
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$939,959</u>

The accompanying notes are an integral part of this statement.

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Assets  
December 31, 2003

Total Fund Balance - Governmental Fund \$939,959

Amounts reported for governmental activities  
in the Statement of Net Assets are different  
because:

Capital assets used in governmental  
activities are not current financial  
resources and, therefore, are not  
reported in the Governmental Funds  
Balance Sheet. 5,020

Total Net Assets of Governmental Activities \$944,979

The accompanying notes are an integral part of this statement.



**TERREBONNE PARISH ASSESSOR**  
**Houma, Louisiana**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**General Fund - Governmental Fund**  
**For the Year Ended December 31, 2003**

**REVENUES**

Ad valorem taxes	\$833,564
State revenue sharing	48,807
Intergovernmental revenue - Reimbursements from Terrebonne Parish Consolidated Government for the Geographical Information System	215,598
Other	<u>9,202</u>
 Total Revenues	 <u>1,107,171</u>

**EXPENDITURES**

Salaries and related expenditures	724,209
Intergovernmental expenditures - Geographical Information System	239,451
Operating services and maintenance	52,252
Office materials and supplies	19,721
Travel and other charges	1,504
Professional services	<u>39,835</u>
 Total Expenditures	 <u>1,076,972</u>
 Net Change in Fund Balance	 30,199
 Fund Balance at Beginning of Year	 <u>909,760</u>
 Fund Balance at End of Year	 <u>\$939,959</u>

The accompanying notes are an integral part of this statement.

**TERREBONNE PARISH ASSESSOR**

Houma, Louisiana

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

Net Change in Fund Balance - Governmental Funds	\$30,199
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Amounts reported for governmental activities  
in the Statement of Activities are different  
because:

Governmental funds report capital outlays as  
expenditures. However, in the Statement of  
Activities, the cost of those assets is  
allocated over their estimated useful lives  
as depreciation expense. This is the amount  
by which depreciation charged exceeded capital  
outlay in the current period.

(5,444)

Change in Net Assets of Governmental Activities	<u>\$24,755</u>
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The accompanying notes are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS**

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Notes to the Financial Statements  
December 31, 2003

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 Terrebonne Parish Courthouse in Houma, Louisiana. 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 during 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.

1. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). The codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

In addition, the Terrebonne Parish Assessor adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments for the first time this year. The

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Notes to the Financial Statements  
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

assessor will be treated as a governmental-type activity for financial reporting purposes in this audit. The minimum requirements for the Terrebonne Parish Assessor's office established by GASB Statement No. 34 are divided into the following sections:

(a) Management's Discussion and Analysis, (b) Basic Financial Statements, and (c) Required Supplementary Information (other than MD&A).

The accompanying financial statements of the Terrebonne Parish Assessor present information only as to the transactions of the programs of the assessor as authorized by Louisiana statutes and administrative regulations. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues, including ad valorem taxes, state revenue sharing, intergovernmental revenue, interest and other revenues of the assessor, are recognized in the accounting period in which they are earned and become measurable.

Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. They are recognized as revenue in the year the taxes are assessed.

Intergovernmental revenue - The assessor receives revenue in the form of reimbursements from Terrebonne Parish Consolidated Government for the Geographical Information System (G.I.S.) mapping program. The assessor is developing a state-of-the-art computerized mapping system which is funded by all parish taxing bodies on a prorated basis. As the assessor expends the monies out of his general fund's fund balance to fund this program, the parish government reimburses him for his costs, usually on a quarterly basis.

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Notes to the Financial Statements  
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense Recognition

Expenses are also recognized on the accrual basis; therefore, expenses, including salaries, operating services and expenses, intergovernmental expenses, etc. are recognized in the period incurred, if measurable.

2. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. The financial reporting entity consists of (a) the primary government (Terrebonne Parish Consolidated Government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Terrebonne Parish Consolidated Government for financial reporting purposes.

The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. the ability of the parish government to impose its will on that organization, and/or
  - b. the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the parish government.



**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Notes to the Financial Statements  
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Organizations for which the parish government does not appoint a voting majority, but are fiscally dependent on the parish government.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Even though the assessor is an independently elected official, and is legally separate from the parish government, the exclusion from the parish government's financial statements would cause the parish government's financial statements to be misleading or incomplete. Also, the assessor is fiscally dependent on the parish government when the parish government has approval authority over the assessor's capital budget. The parish government has approval authority over the assessor's capital budget because office space is furnished to the assessor by the parish government and title to real property is in the name of the parish government. Because of these reasons, the assessor is determined to be a component unit of the Terrebonne Parish Consolidated Government.

3. Fund Accounting

The assessor uses a fund (General Fund) 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.

The assessor's General Fund is classified as a governmental fund. Governmental funds account for general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets.

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the only fund of the assessor and accounts for the operation of the assessor's office. Ad valorem tax revenue authorized by Act 292 of 1985 is accounted for in this fund. General operating expenditures are paid from this fund.

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Notes to the Financial Statements  
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgets

The proposed budget for 2003 was published in the official journal and made available for public inspection on December 19, 2002. A public hearing was held and the budget was adopted on December 30, 2002. Appropriations lapse at year end. The original adopted budget was amended and advertised on December 17, 2003. A public hearing was held and the budget was adopted on December 30, 2003.

The budget is legally adopted and amended, as necessary, by the assessor. It is prepared and reported on the accrual basis of accounting. Formal budget integration is employed as a management control device during the year. The assessor reserves all authority to make changes to the budget. When actual revenues fail to meet budgeted revenues by five per cent or more and/or actual expenditures exceed budgeted revenues by five per cent or more, a budget amendment to reflect such change is adopted by the assessor. Budgeted amounts included in the accompanying financial statements include the original adopted budget and any subsequent amendments, if applicable.

5. Cash and Cash Equivalents

Cash includes amounts in a demand deposit account. Cash equivalents, if any, include amounts in certificates of deposit. Under state law, the assessor may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or certificates of deposit with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

6. Ad Valorem Tax Receivables

There was no provision made for uncollectible ad valorem tax receivables because the amount was based on actual ad valorem taxes received in 2004.



**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Notes to the Financial Statements  
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Capital Assets  
Capital assets are recorded at either historical cost or estimated historical cost and are depreciated over their estimated useful lives (excluding salvage value). Any donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives: office furniture and equipment - 5 years; automobiles - 5 years.
- Assets paid for by the parish government are not included in the assessor's capital assets.
8. Compensated Absences  
Employees of the assessor earn from ten to fifteen days of vacation leave each year depending on length of service, and ten days of sick leave. Leave benefits do not vest or accumulate and must be taken in the year earned. Payment is not made for accumulated leave upon retirement, resignation or termination of employment. The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the General Fund when the leave is actually taken.
9. Long-term Obligations  
There were no long-term obligations at December 31, 2003.
10. Encumbrances  
Encumbrance accounting is not utilized by the assessor due to the nature of operations and the ability of management to monitor budgeted expenditures on a timely basis.
11. Use of Estimates  
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Notes to the Financial Statements  
December 31, 2003

**NOTE B - LEVIED TAXES**

In 2003, the assessor was authorized to levy up to 1.96 mills in ad valorem taxes. A 1.96-mill ad valorem tax was levied for the year ended December 31, 2003.

The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2003 Assessed Valuation</u>	<u>Percentage of Total Valuation</u>
Texaco, Inc.	Oil Company	\$14,451,180	3.39%
BellSouth	Telephone	10,609,440	2.49
Shell Pipeline	Pipeline Co.	7,376,130	1.73
Transcontinental Gas Pipeline	Pipeline Co.	7,319,150	1.72
Tenneco Gas	Pipeline Co.	7,079,360	1.66
Entergy La., Inc.	Utility	7,016,890	1.65
The Offshore Co.	Drilling	6,772,280	1.59
Poseidon Oil, Inc.	Oil Company	6,153,430	1.44
Walmart Stores	Retail Store	5,308,640	1.25
Helis, William G. Estate	Real Estate	<u>5,101,795</u>	<u>1.20</u>
		<u>\$77,188,295</u>	<u>18.12%</u>

The total assessed valuation for all taxpayers at December 31, 2003, was \$425,904,635. This figure was used in calculating the percentage of the "2003 assessed valuation of each of the principal taxpayers" to the "assessed valuation for all taxpayers."

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Notes to the Financial Statements  
December 31, 2003

**NOTE C - CASH AND CASH EQUIVALENTS**

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

Checking account (demand deposit)	<u>\$144,886</u>
Total	<u>\$144,886</u>

These deposits are stated at cost. 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, 2003, the assessor had \$162,751 in deposits (collected bank balances). These deposits were secured from risk by \$100,000 of federal deposit insurance, and \$62,751 of securities pledged.

Although the bank balances were secured by the FDIC and pledged securities at December 31, 2003, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank for securities pledged to safeguard deposits of the assessor during the year and to advertise and sell the pledged securities within 10 days of being notified by the assessor that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE D - CAPITAL ASSETS**

The capital assets used in the governmental-type activities are included on the Statement of Net Assets of the assessor and are capitalized at historical cost. Depreciation of all exhaustible capital assets used by the assessor is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Assets. Depreciation expense for financial reporting purposes is computed using the straight-line method over the useful lives of the capital assets and is reported in the Statement of Activities.

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Notes to the Financial Statements  
December 31, 2003

NOTE D - CAPITAL ASSETS (CONTINUED)

A summary of changes in capital assets and accumulated depreciation during the year is listed as follows:

	<u>Balance</u> <u>12/31/02</u>	<u>Additions</u>	<u>Retire-</u> <u>ments</u>	<u>Balance</u> <u>12/31/03</u>
<u>Capital Assets</u>				
Office furniture & equipment	\$145,511	-	\$2,685	\$142,826
Automobiles	<u>30,473</u>	<u>-</u>	<u>-</u>	<u>30,473</u>
Total	<u>\$175,984</u>	<u>-</u>	<u>\$2,685</u>	<u>\$173,299</u>
<u>Less Accumulated Depreciation for</u>				
Office furniture & equipment	\$135,047	\$5,444	\$2,685	\$137,806
Automobiles	<u>30,473</u>	<u>-</u>	<u>-</u>	<u>30,473</u>
Total	<u>\$165,520</u>	<u>\$5,444</u>	<u>\$2,685</u>	<u>\$168,279</u>

NOTE E - PENSION PLAN

Plan Description

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

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Notes to the Financial Statements  
December 31, 2003

NOTE E - PENSION PLAN (CONTINUED)

produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The 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

For all of 2003, plan members (employees) were required by state law to contribute 8.0 percent of their annual covered salary into the retirement system, and the assessor (employer) was required to contribute 14.0 percent of an employee's annual covered payroll into the System. Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Terrebonne Parish Assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The assessor's (employer) contributions to the System for the years ending December 31, 2003, 2002 and 2001 were \$67,099, \$53,050 and \$34,966, respectively, equal to the required contributions for each year.



**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Notes to the Financial Statements  
December 31, 2003

**NOTE F - DEFERRED COMPENSATION PLAN**

The assessor offers his employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all the assessor's employees, permits employees to defer a portion of their salary until future years. The deferred compensation amount is not available to employees until termination, retirement, death or unforeseeable emergency. The assessor has no fiduciary responsibility to the administration of this plan. Participants, themselves, decide on the types of investments in which to invest their deferrals, and the plans administration is performed by an organization which is separate from the assessor's office. In this regard, there are no reporting requirements which need to be applied for this plan arrangement.

Contributions made into the plan on behalf of participating employees totaled \$1,332 for the year. Deferrals on deposit in the plan had a balance totaling \$21,660 at December 31, 2003. This balance is stated at fair market value.

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

The assessor provides certain continuing health care and life insurance benefits for retired employees. 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 paid monthly and jointly by the retiree, employee and the assessor. The assessor recognizes the cost of providing these benefits (assessor's portion of premiums) as an expenditure when paid during the year. For the year, the cost of health care and life insurance benefits paid by the assessor for retirees, and active employees, totaled \$35,210, and \$128,938, respectively.

**NOTE H - LEASES**

As of December 31, 2003, there were no future annual lease commitments for the assessor, nor were there any operating or capital leases outstanding.

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Notes to the Financial Statements  
December 31, 2003

**NOTE I - COMPENSATED ABSENCES**

No payment is made for accumulated leave upon retirement, resignation or termination of employment. Therefore, there was no liability to be reported for compensated absences at December 31, 2003.

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

Louisiana R.S. 33:4713 requires the Terrebonne Parish Consolidated Government to provide the assessor with all necessary office space, utilities, furniture, equipment, supplies, and maps. During the year ended December 31, 2003, the parish government provided office space, utilities, and janitorial services on a limited basis. The value of these items are not reflected in the accompanying financial statements.

**NOTE K - LITIGATION**

At December 31, 2003, according to the assessor's legal counsel, there was no pending or threatened litigation which would require a liability to be recorded on the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**



**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Required Supplementary Information  
General Fund - Governmental Fund  
Statement of Revenues, Expenditures, and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	with Final Budget Positive (Negative)
<b>REVENUES</b>				
Ad valorem taxes	\$750,000	\$755,000	\$833,564	\$ 78,564
State revenue sharing	50,000	48,000	48,807	807
Interest earnings	18,000	7,000	-	(7,000)
Other/miscellaneous	<u>250,000</u>	<u>184,000</u>	<u>224,800</u>	<u>40,800</u>
Total Revenues	<u>1,068,000</u>	<u>994,000</u>	<u>1,107,171</u>	<u>113,171</u>
<b>EXPENDITURES</b>				
Salaries and related expenditures	750,000	735,000	724,209	10,791
Operating services & maintenance	160,000	80,000	52,252	27,748
Office materials and supplies	25,000	20,000	19,721	279
Professional services	150,000	150,000	279,286	(129,286)
Travel and other charges	10,000	9,000	1,504	7,496
Capital outlay	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total Expenditures	<u>1,135,000</u>	<u>1,034,000</u>	<u>1,076,972</u>	<u>(42,972)</u>
Excess (Deficiency) of Revenues over Expenditures	(67,000)	(40,000)	30,199	70,199
Fund Balance at Beginning of Year	<u>424,000</u>	<u>514,000</u>	<u>909,760</u>	<u>395,760</u>
Fund Balance at End of Year	<u>\$357,000</u>	<u>\$474,000</u>	<u>\$939,959</u>	<u>\$465,959</u>

The accompanying notes are an integral part of this statement.

**SUPPLEMENTAL INFORMATION SCHEDULE**

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Supplemental Information Schedule  
Summary Schedule of Prior Audit Findings and  
Corrective Action Plan for Current Year Audit Findings  
For the Year Ended December 31, 2003

I have audited the accompanying basic financial statements of the Terrebonne Parish Assessor as of and for the year ended December 31, 2003, and have issued my report thereon dated June 15, 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. My audit of the financial statements as of December 31, 2003 resulted in an unqualified opinion.

Section I - Summary of Auditor's Report and Findings

There was one material weakness in internal control that was a reportable condition which required disclosure in the current-year and prior-year audit reports (Finding No. 1).

There were no instances of noncompliance that were required to be reported in the current-year or prior-year audit report.

There were no other findings, required to be reported, and no management letter was issued for the current audit period.

The Terrebonne Parish Assessor did not receive any federal funds during the twelve months ended on December 31, 2003.

**TERREBONNE PARISH ASSESSOR**  
Houma, Louisiana  
Supplementary Information Schedule (Continued)  
Summary Schedule of Prior Year Audit Findings and  
Corrective Action Plan for Current Year Audit Findings  
For the Year Ended December 31, 2003

Section II - Financial Statement Finding

Finding No.: 1 (Segregation of Duties)

Fiscal Year Finding Initially Occurred: Has existed from inception.

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

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

Contact Person:  
Gene P. Bonvillain,  
Terrebonne Parish Assessor  
Houma, Louisiana

Anticipated Completion Date: Not applicable.

**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

KEITH J. ROVIRA  
CERTIFIED PUBLIC ACCOUNTANT  
3331 METAIRIE ROAD  
METAIRIE, LOUISIANA 70001-5297

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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

Honorable Gene P. Bonvillain  
Terrebonne Parish Assessor  
A Component Unit of the  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

I have audited the basic financial statements of the Terrebonne Parish Assessor, a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2003, and have issued my report thereon dated June 15, 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 a part of obtaining reasonable assurance about whether the Terrebonne Parish Assessor's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Terrebonne Parish Assessor's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a matter involving the internal control over financial reporting and its operations that I consider to be reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the assessor's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements. This reportable condition is described in the accompanying Schedule of Audit Findings in the Supplementary Information section of this audit report and is referenced as Finding No. 1.

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

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



Keith J. Rovira  
Certified Public Accountant

June 15, 2004