

**DESOTO PARISH ASSESSOR  
Mansfield, Louisiana**

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**December 31, 2003**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-21-04

**Jim H. Stevens, Jr., CPA, LLC  
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Springhill, Louisiana**

**DESOTO PARISH ASSESSOR**  
**Mansfield, Louisiana**  
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December 31, 2003

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### INDEPENDENT AUDITOR'S REPORT

To the Honorable Jimmy Stephens  
DeSoto Parish Assessor  
Logansport, Louisiana

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

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

In accordance with *Government Auditing Standards*, I have also issued a report dated June 25, 2004, on my consideration of DeSoto Parish Assessor's internal control over financial reporting and on my tests of its compliance with certain provisions of laws and regulations.

  
Certified Public Accountant

June 25, 2004

**DESOTO PARISH ASSESSOR**  
**MANSFIELD, LOUISIANA**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**Combined Balance Sheet**  
**December 31, 2003**

	<u>GOVERNMENTAL FUNDS</u>	<u>ACCOUNT GROUP</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
	<u>GENERAL FUND</u>	<u>GENERAL FIXED ASSETS</u>	
<b>ASSETS AND OTHER DEBITS</b>			
Cash and Cash Equivalents	\$ 1,078,765	\$	\$ 1,078,765
Investments	665,544		665,544
Ad Valorem Taxes Receivable	545,490		545,490
Other Accounts Receivable	152		152
Prepaid Insurance	5,900		5,900
Office Furnishings and Equipment		127,768	127,768
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 2,295,851</b>	<b>\$ 127,768</b>	<b>\$ 2,423,619</b>
<b>LIABILITIES AND FUND EQUITY</b>			
Accounts Payable	\$ 15,261	\$	\$ 15,261
<b>TOTAL LIABILITIES</b>	<b>15,261</b>		<b>15,261</b>
Fund Equity:			
Investment in General Fixed Assets		127,768	127,768
Fund Balance-Unreserved Undesignated	2,280,590		2,280,590
<b>TOTAL FUND EQUITY</b>	<b>2,280,590</b>	<b>127,768</b>	<b>2,408,358</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 2,295,851</b>	<b>\$ 127,768</b>	<b>\$ 2,423,619</b>

The accompanying notes are an integral part of this statement.

**DESOTO PARISH ASSESSOR**  
**MANSFIELD, LOUISIANA**  
**GOVERNMENTAL FUND TYPE - GENERAL FUND**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget (GAAP) and Actual**  
**For the Year Ended December 31, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Ad Valorem Taxes	\$ 577,979	\$ 578,290	\$ (1,889)
Intergovernmental Revenues:			
State Revenue Sharing	21,660	21,411	(249)
Fees, Charges, and Commissions for Services:			
Preparing and Selling Tax Rolls	2,100	2,726	626
Charges for Use of Equipment	3,800	1,705	(2,095)
Use of Money and Property:			
Interest Earnings	20,000	34,729	14,729
<b>TOTAL REVENUES</b>	<u>625,539</u>	<u>636,861</u>	<u>11,322</u>
<b>EXPENDITURES</b>			
Current:			
General government -- Taxation			
Personal Services & Related Benefits	451,070	447,378	3,692
Operating Services	76,040	48,740	27,300
Materials and Supplies	20,500	19,291	1,209
Travel and Other Charges	18,024	15,129	2,895
Capital Outlays	30,000	5,915	24,085
<b>TOTAL EXPENDITURES</b>	<u>595,634</u>	<u>536,453</u>	<u>59,181</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>29,905</u>	<u>100,408</u>	<u>70,503</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	2,180,182	2,180,182	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 2,210,087</u>	<u>\$ 2,280,590</u>	<u>\$ 70,503</u>

The accompanying notes are an integral part of this statement.

**DESOTO PARISH ASSESSOR**  
**Mansfield, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2003**

**INTRODUCTION**

As provided by LSA-RS 47:1901, the assessor is elected by the voters of the parish and serves a four-year term. The assessor enumerates, lists, and 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 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.

The assessor's office is located in the DeSoto Parish Courthouse annex in Mansfield, Louisiana. The assessor employs seven employees, including six deputies. In accordance with Louisiana law, the assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

At December 31, 2003, there are 20,523 real property and movable property assessments totaling \$61,154,858 and \$141,879,206, respectively. This represents an increase of assessments caused by an increased number of new residences, homes and businesses in the parish, totaling \$2,304,948 over 2002.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

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

**B. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the DeSoto Parish Police Jury is the financial entity for DeSoto 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 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 DeSoto Parish Police Jury 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:



**DESOTO PARISH ASSESSOR**  
**Mansfield, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. REPORTING ENTITY (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.

The Assessor is an independently elected official; however, the assessor is fiscally dependent on the DeSoto Parish Police Jury. The police jury provides for office space and so has approval authority over the Assessor's capital budget, therefore, the assessor was determined to be a component unit of the DeSoto 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.

**C. FUND ACCOUNTING**

The assessor uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the assessor are classified as governmental funds. Governmental funds account for the assessor's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets. Governmental funds of the assessor include:

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

**DESOTO PARISH ASSESSOR**  
**Mansfield, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities are generally included on the balance sheet. The operating statement of the General Fund presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

1. Revenues - Ad valorem taxes and the related state revenue sharing funds are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31, 2003. The taxes are normally collected in December of the current year and January and February of the ensuing year. Uncollected prior year taxes are written off at the end of the year.

Fees for preparing tax rolls are recognized in the period in which they are paid.

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

Based on the above criteria, ad valorem taxes, interest income and fees for preparing tax rolls have been treated as susceptible to accrual.

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

**E. BUDGETS**

The assessor uses the following 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 expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes or amendments to the budget must be approved by the assessor.

Formal budgetary integration is not employed as a management control device during the year, and encumbrance accounting is not used by the assessor. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and there were no subsequent amendments.



**DESOTO PARISH ASSESSOR**  
**Mansfield, Louisiana**  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2003

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts or nonnegotiable certificates of deposit. Under state law, the assessor may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

**G. INVESTMENTS**

Under state law, the assessor may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed six months; however, if the original maturities are six months or less, they are classified as cash equivalents. Investments are stated at cost.

**H. ACCOUNTS RECEIVABLE**

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

**I. FIXED ASSETS**

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

**J. COMPENSATED ABSENCES**

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

Employees of the assessor's office receive 5 to 10 days of noncumulative vacation leave each year. Sick leave is granted at the discretion of the assessor. At December 31, 2003, there are no accumulated or vested benefits relating to vacation and sick leave.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken.

**K. TOTAL COLUMNS ON STATEMENTS**

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

**DESOTO PARISH ASSESSOR**  
**Mansfield, Louisiana**  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2003

**2. LEVIED TAXES**

The assessor was authorized an ad valorem tax millage of 3.28 mills and levied taxes of 3.40 mills for 2003. The difference between the authorized and levied millage is the result of reassessment of taxable property, required by Article 7, Section 23 of the Louisiana Constitution of 1974.

The Assessor is permitted to levy taxes up to 10% of the assessed property valuation for each specified or, in the aggregate for all purposes 25% of the assessed valuation for the payment of principal and interest on long-term debt after the approval by the voters of the Parish. Property taxes are recorded as receivables and revenues in the year assessed.

The property tax calendar:

Assessment date	January 1, 2003
Levy date	June 30, 2003
Tax bills mailed	October 15, 2003
Total taxes are due	December 31, 2003
Penalties & interest added	January 31, 2004
Tax sale	May 15, 2004

Assessed values are established by the DeSoto Parish Tax Assessor each year on a uniform basis at the following ratios to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed not less than every four years. The last revaluation was completed for the roll of January 1, 2000. Total assessed value was \$203,034,064 in 2003. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$32,404,785 of the assessed value in 2003.

The following are the principal taxpayers for the Parish (2003 amounts):

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>ASSESSED VALUATION</u>	<u>% OF TOTAL ASSESSED VALUATION</u>
International Paper Co.	Manufacturing	\$ 35,844,420	17.65%
Central LA Electric Co.	Utility	32,749,448	16.13%
Southwestern Electric	Utility	29,477,721	14.52%
Dolet Hills Mining Venture	Mining	4,154,310	2.05%
El Paso Production Co.	Oil & Gas	3,329,430	1.64%
Northeast Texas Electric	Utility	2,738,560	1.35%
Bellsouth Telecommunications	Utility	2,515,700	1.24%
J-W Operating Co.	Utility	1,932,210	0.95%
BP America Production Co.	Manufacturing	1,673,650	0.82%
Southern Natural Gas Co.	Utility	1,611,330	0.79%
Total		<u>\$ 116,026,779</u>	<u>57.14%</u>

**DESOTO PARISH ASSESSOR**  
**Mansfield, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2003**

**3. CASH**

The assessor has cash and cash equivalents (book balances) in interest-bearing demand and time deposits of \$977,249 and LAMP deposits of \$104,516 for a total of \$1,078,765 at December 31, 2003.

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. The assessor's deposits are secured from risk as follows:

Cash (bank balance)	\$	985,968
		985,968
Total at risk		985,968
Federal deposit insurance	\$	387,213
Pledged securities		869,649
Total insurance & pledges	\$	1,256,862

The pledged securities are held in the name of the fiscal agent bank rather than in the name of the assessor. Because the security is not in the name of the assessor and is not held by the assessor, the deposits are considered Category 3, uninsured, in applying the credit risk of GASB Codification Section 150.164. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the assessor that the fiscal agent has failed to pay deposited funds upon demand.

At December 31, 2003, the balance in the Louisiana Asset Management Pool, Inc. (LAMP) account is \$104,516. (See Summary of Significant Accounting Policies Note F.) In accordance with GASB Codification 150.164, the balance in the LAMP account is not categorized in the three risk categories provided by GASB Codification 150.164 because the balance is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. Only local governments having contracted to participate in LAMP have an interest in the pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, U. S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Therefore, under GASB 9, the assessor classifies this account as cash.

**DESOTO PARISH ASSESSOR**  
**Mansfield, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2003**

**4. INVESTMENTS**

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the assessor or its agent in the assessor's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the assessor's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the assessor's name.

The investments for the DeSoto Parish Assessor are categorized as a credit risk 1. At year-end, the assessor's investment balances were as follows:

<u>Type of Investment</u>	<u>Carrying Amount</u>	<u>Federally Secured</u>	<u>Pledged</u>
365 day Certificate of Deposit	\$665,544	\$100,000	\$657,049

The fair value of the investment approximates the carrying value.

**5. CHANGES IN GENERAL FIXED ASSETS**

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

Balance, January 1, 2003	\$ 130,759
Additions	5,915
Deductions	8,906
Balance, December 31, 2003	<u>\$ 127,768</u>

**6. PENSION PLAN**

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

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate within at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318) 425-4446.



**DESOTO PARISH ASSESSOR**  
**Mansfield, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2003**

**6. PENSION PLAN (Continued)**

Funding Policy - Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the DeSoto Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 14.0 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the DeSoto 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 DeSoto Parish Assessor's contributions to the System for the years ending December 31, 2003, 2002, and 2001, were \$ 35,855, \$26,988, and \$18,958, respectively, equal to the required contributions for each year.

**7. OTHER POST-EMPLOYMENT BENEFITS**

The DeSoto 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 the three retirees are provided through an insurance company on a pay-as-you-go basis. The assessor pays 100% of the premiums. The assessor recognizes the cost of providing these benefits (assessor's cost of premiums) as an expenditure when the monthly premiums are paid. For the year ended December 31, 2003, the total amount of premiums paid for retirees totaled \$14,878.

**8. LEASES**

The assessor has operating leases of the following nature:

Auto lease, 36 month term, payments \$465.65 monthly, dated February 14, 2001. Lease payments were \$3,725 in 2003. This lease was paid off early and the assessor entered into another 36 month auto lease. Payments are \$472.67, dated September 05, 2003 and total payments to this lease in 2003 were \$1,891.

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

Fiscal year	Equipment
2004	5,672
2005	5,672
2006	3,781
Total	\$ 15,125

**9. EXPENDITURES OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS**

Certain operating expenditures of the assessor's office are paid by the parish police jury as required by Louisiana Revised Statute 33:4714. These expenditures are summarized as follows and are not included in the accompanying financial statements:

Janitorial services, utilities, and capital expenditures and improvements.

**DESOTO PARISH ASSESSOR**  
**Mansfield, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2003**

**10. LITIGATION AND CLAIMS**

During 2003 the DeSoto Parish Assessor was not involved in any litigation nor is he aware of any unasserted claims.

**11. RISK MANAGEMENT**

The Assessor is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and injuries to employees. To handle some risk of loss, the Assessor has workers' compensation insurance for any employee injured on the job and surety bond coverage. No settled claims from these risks have exceeded insurance coverage for the past three years. There are no significant reductions in insurance coverage from the prior year.

**12. SUBSEQUENT EVENT**

In December of 2003 the DeSoto Parish Assessor entered into a cooperative endeavor with the Town of Stonewall to construct offices for a satellite Tax Assessor's office in northern DeSoto Parish. Authorization for such endeavor is allowed by statutes La. R.S. 33:1461 and Louisiana Constitution of 1974, Article 7, Section 14(C). The DeSoto Parish Assessor has subsequent to year end transferred \$45,600 to the Town of Stonewall. Additional expenses to equip the office is estimated to be an additional \$5,000.



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**INDEPENDENT AUDITOR'S 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 Jimmy Stephens  
DeSoto Parish Assessor  
Mansfield, Louisiana

I have audited the general purpose financial statements of DeSoto Parish Assessor as of and for the year ended December 31, 2003, and have issued my report thereon dated June 25, 2004. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether DeSoto Parish Assessor's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which, could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered DeSoto Parish Assessor's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information and use of the legislative auditor, management, the DeSoto Parish Assessor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Certified Public Accountant

June 25, 2004

# DESOTO PARISH ASSESSOR

Schedule of Findings and Questioned Costs  
December 31, 2003

## Section I - Summary of Auditor's Results

### Financial Statements

Type of Report issued:

Unqualified

Internal control over financial reporting:

No

Material weaknesses identified?

No

Reportable conditions identified not considered to be material weaknesses?

No

Noncompliance material to financial statement noted?

### Federal Awards

Not applicable

## Section II - Financial Statement Findings

No findings or questioned costs noted.

## Section III - Federal Award Findings and Questioned Costs

Not applicable

**DESOTO PARISH ASSESSOR**

**Summary Schedule of Prior Year Findings and Questioned Costs  
December 31, 2003**

**There were no audit findings in the audit report for the year ended December 31, 2002.**