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LOUISIANA ASSESSORS' INSURANCE FUND
BATON ROUGE, LOUISIANA
DECEMBER 31, 1999

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 JUL 26 2000

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Release Date _____

LOUISIANA ASSESSORS' INSURANCE FUND

BATON ROUGE, LOUISIANA

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AUDITED FINANCIAL STATEMENTS

June 22, 2000

Board of Trustees
Louisiana Assessors' Insurance Fund
Baton Rouge, Louisiana

Independent Auditor's Report

We have audited the accompanying statement of net assets of the Louisiana Assessors' Insurance Fund as of December 31, 1999, and the related statement of changes in net assets for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Louisiana Assessors' Insurance Fund as of December 31, 1999 and the changes in net assets for the year then ended, in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of per diem and reimbursed expenses paid board members is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Heard, McElroy & Vestal, LLP

LOUISIANA ASSESSORS' INSURANCE FUND

STATEMENTS OF NET ASSETS

DECEMBER 31, 1999

A S S E T S

Cash	197,732
Accrued income receivable	2,627
Investments, at fair value-Note 3	1,502,084
Fixed assets, net of depreciation	<u>7,910</u>
Total assets	1,710,353

LIABILITIES

Accounts payable	<u>722</u>
Net assets	<u>1,709,631</u>

The accompanying notes to financial statements are an integral part of such statements.

LOUISIANA ASSESSORS' INSURANCE FUND
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1999

Additions to plan assets attributed to:	
Investment income	
Net (depreciation) in fair value of investments	(138,578)
Interest and dividends	<u>106,080</u>
	(32,498)
Contributions	<u>4,868,153</u>
Total additions	4,835,655
Deductions from plan assets attributed to:	
Payments for:	
Medical insurance premiums	4,708,212
Life and disability insurance premiums	508,783
Administrative expenses-Note 4	<u>53,650</u>
Total deductions	<u>5,270,645</u>
Net decrease	(434,990)
Net assets:	
Beginning of year	<u>2,144,621</u>
End of year	<u><u>1,709,631</u></u>

The accompanying notes to financial statements are an integral part of such statements.

LOUISIANA ASSESSORS' INSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1999

1. Description of the Plan

Louisiana Revised Statute 47:1922 created an Assessors' Insurance Fund for the assessors and assessors' employees throughout the State of Louisiana, and a public corporation to be known as the Insurance Committee of the Assessors' Insurance Fund, which committee shall be vested with the power to administer the fund herewith provided for, to sue and be sued, to contract for and pay premiums for group life and accidental death and dismemberment insurance, group health, accident, dental, hospital, surgical and other medical expense insurance for the assessors, assessors' employees, and the dependents of the assessors and assessors' employees as provided, herein, with any insurance company legally organized to do business in the State of Louisiana.

Full details of the plan's benefits can be obtained from the plan document. Total membership in the Fund at December 31, 1999 is as follows:

Retirees and beneficiaries receiving health care benefits	248
Active plan members	<u>688</u>
Total	<u>936</u>

On August 30, 1988, the Fund filed an Application for Recognition of Exemption under Section 501(c)(d) of the Internal Revenue Code, Voluntary Employees Beneficiary Associations. On December 13, 1988, the Internal Revenue Service advised that the application had been referred to their national office for a ruling. No response has been received from the Internal Revenue Service.

2. Summary of Significant Accounting Policies

a) Basis of Accounting. The Fund's financial statements are prepared using the accrual basis of accounting. Fund member contributions are recognized in the period in which the contributions are due. All significant contributions were received at December 31. Health care claims are on a pay-as-you-go basis and are recognized when paid. A third party administrator handles the paying of claims. Payments of claims are made electronically when submitted by the administrator.

b) Fixed assets. Fixed assets consist of equipment which is stated at cost less accumulated depreciation.

3. Investments

The fund's investments are stated at fair value. During 1999, the Plan's investments depreciated in value as follows:

Fair value as determined by quoted market price:	<u>Net (Decrease) in Value During Year</u>	<u>Fair Value at December 31, 1999</u>
Putman American Government Fund (New England Securities)	<u>(138,578)</u>	<u>1,502,084</u>

3. Investments (Continued)

The fair value of individual investments that represent 5.0% or more of the Plan's net assets are as follows:

Putman American Government Fund (New England Securities)	<u>1,502,084</u>
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4. Administrative Expenses

The following administrative expenses were incurred during the period ended December 31, 1999:

Computer supplies	4,227
Depreciation	1,906
Employee benefits	2,025
Salaries	31,198
Payroll taxes	408
Per diem and travel	1,800
Insurance	3,372
Office supplies	395
Postage	1,043
Telephone	322
Travel	440
Miscellaneous	2,014
Professional fees	<u>4,500</u>
 Total administrative expenses	 <u>53,650</u>

LOUISIANA ASSESSORS' INSURANCE FUND
SCHEDULE OF PER DIEM AND REIMBURSED
EXPENSES PAID BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Number of Days</u>	<u>Amount Paid</u>
Stephanie S. Smith	3	225
Leroy A. Martin	3	225
James "Jimmy" Dean	1	75
Carmon F. Walker	1	75
Sue H. Benoit	4	300
Rhyn Duplechain	1	75
A. T. "Mike" Clingan	4	300
Katherine Broadway	3	225
Felix LeBlanc	4	<u>300</u>
Meeting totals		<u><u>1,800</u></u>

Note - In accordance with Legislative Act 221 of 1981, members of the board receive per diem of \$75. In addition to per diem, board members are reimbursed for mileage at 25¢ per mile or actual plane fare plus cost of hotel accommodations.

OTHER REPORTS REQUIRED BY GOVERNMENT

AUDITING STANDARDS



DEPOSIT GUARANTY TOWER
333 TEXAS STREET, 15TH FLOOR
SHREVEPORT, LA 71101
318-429-1525
318-429-2070 FAX
POST OFFICE BOX 1607
SHREVEPORT, LA 71165-1607

PARTNERS
C. GODY WHITE, JR., CPA, APC
J. PETER GAFFNEY, CPA, APC
SPENCER BERNARD, JR., CPA
WILLIAM L. HIGHTOWER, CPA
H.Q. GALLAGAN, JR., CPA, APC
GERALD W. HEDGECOCK, JR., CPA, APC

TIM B. NIELSEN, CPA, APC
JOHN W. DEAN, CPA, APC
MARK D. ELDREDGE, CPA
MICHAEL F. GILSON, CPA
ROBERT L. DEAN, CPA
OF COUNSEL
GILBERT R. SHANLEY, JR., CPA

June 22, 2000

Board of Trustees
Louisiana Assessors' Insurance Fund
Baton Rouge, Louisiana

Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

We have audited the financial statements of the Louisiana Assessors' Insurance Fund as of and for the year ended December 31, 1999, and have issued our report thereon dated June 22, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of the Louisiana Assessors' Insurance Fund are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our 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 our audit, we considered internal control over financial reporting of the Louisiana Assessors' Insurance Fund in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and the Office of the Legislative Auditor, State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

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hmvc@hmvcpa.com E-MAIL
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LOUISIANA ASSESSORS' INSURANCE FUND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 1999

We have audited the financial statements of the Louisiana Assessors' Insurance Fund as of and for the year ended December 31, 1999, and have issued our report thereon dated June 22, 2000. We conducted our 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. Our audit of the financial statements as of December 31, 1999 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control - No material weakness or reportable condition was noted; no management letter was issued.

Compliance - No material noncompliance was noted.

b. Federal Awards - Not applicable.

Section II - Financial Statement Findings

No matters were reported.

LOUISIANA ASSESSORS' INSURANCE FUND

SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED DECEMBER 31, 1999

No prior year findings were reported.