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VERNON PARISH ASSESSOR

LEESVILLE, LOUISIANA

Annual Financial Statements

December 31, 2001

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 4/10/02

VERNON PARISH ASSESSOR

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UNQUALIFIED OPINION ON GENERAL-PURPOSE
FINANCIAL STATEMENTS-GOVERNMENTAL ENTITY

INDEPENDENT AUDITOR'S REPORT

Vernon Parish Assessor
Leesville, Louisiana:

I have audited the accompanying general-purpose financial statements of the Vernon Parish Assessor as of and for the year ended December 31, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Vernon 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 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 financial position of the Vernon Parish Assessor as of and for the year ended December 31, 2001, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated January 25, 2002, on my consideration of the Vernon Parish Assessor's internal control over financial reporting and my tests of its compliance with laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the basic financial statements of the Assessor's office taken as a whole. The accompanying schedules, as listed in the table of contents, are presented for purposes of additional analysis and are 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 my opinion, is fairly state, in all material respects, in relation to the basic financial statements taken as a whole.

Elliott & Assc. "APAC"
Leesville, Louisiana
January 25, 2002

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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*

Vernon Parish Assessor
Leesville, Louisiana

I have audited the financial statements of the Vernon Parish Assessor as of and for the year ended December 31, 2001, and have issued my report thereon dated January 25, 2002. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Vernon 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Compliance

In planning and performing my audit, I considered the Vernon 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 provided 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 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 of management. However, this report is a matter of public record and its distribution is not limited.

Elliott & Assc. "APAC"
Leesville, Louisiana
January 25, 2002

Vernon Parish Assessor
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended December 31, 2001

I have audited the financial statements of the Vernon Parish Assessor as of and for the year ended December 31, 2001, and have issued my report thereon dated January 25, 2002. 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, 2001 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
Material Weaknesses ( ) Yes (X) No
Reportable Conditions ( ) Yes (X) No

Compliance
Compliance Material to Financial Statements ( ) Yes (X) No

b. Federal Awards

Internal Control
Material Weaknesses ( ) Yes ( ) No (X) N/A
Reportable Conditions ( ) Yes ( ) No (X) N/A

Type of Opinion On Compliance For Major Programs
Unqualified ( ) Qualified ( )
Disclaimer ( ) Adverse ( )
N/A (X)

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?
( ) Yes ( ) No (X) N/A

c. Identification of Major Programs

CFDA Number(s)	Name of Federal Program
None	None

Dollar threshold used to distinguish between Type A and Type B Programs: $ N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133?
( ) Yes ( ) No (X) N/A

Section II Financial Statement Findings

N/A

Section III Federal Award Findings and Questioned Costs

N/A

See independent auditor's report.

Exhibit A

VERNON PARISH ASSESSOR
Combined Balance Sheet -
All Fund Types and Account Group
December 31, 2001

	Governmental Funds	Account Group	
	General	General Fixed Assets	Total (Memorandum only)
Assets:			
Cash and cash equivalents (Note 3)	$123,357	$ ---	$123,357
Vehicles and equipment (Note 4)	---	153,650	153,650
Total assets	$123,357	$153,650	$277,007
Liabilities and Fund Equity:			
Liabilities:			
Accounts payable	$ 2,253	$ ---	$ 2,253
Payroll taxes payable	7	---	7
Deferred revenue (Notes 2 and 6)	47,876	---	47,876
Total liabilities	50,136	---	50,136
Fund equity:			
Investment in general fixed assets (Note 4)	---	153,650	153,650
Fund balance - unreserved-undesignated	73,221	---	73,221
Total fund equity	73,221	153,650	226,871
Total liabilities and fund equity	$123,357	$153,650	$277,007

The accompanying notes are an integral part of this statement.

Exhibit B

VERNON PARISH ASSESSOR
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Fund Type
For the Year Ended December 31, 2001

Revenues:	
Taxes (Note 2)	$425,520
Intergovernmental	64,300
Charges for services	2,645
Miscellaneous	14,330
Total revenues	506,795
Expenditures:	
General government - taxation:	
Salaries and related costs (Note 5)	425,425
Office supplies and expenses	42,567
Education and travel	4,834
Automobile	16,800
Professional	9,793
Capital outlay (Note 4)	28,197
Total expenditures	527,616
Excess (deficiency) of revenues over expenditures	(20,821)
Fund balance, beginning of year	94,042
Fund balance, end of year	$ 73,221

The accompanying notes are an integral part of this statement.

Exhibit C

VERNON PARISH ASSESSOR
Statement of Revenues, Expenditures
and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Governmental Fund Type - General Fund
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes (Note 2)	$420,000	$425,520	$ 5,520
Intergovernmental	60,000	64,300	4,300
Charges for services	700	2,645	1,945
Miscellaneous	5,000	14,330	9,330
Total revenues	485,700	506,795	21,095
Expenditures:			
General government - taxation:			
Salaries (Note 5)	430,000	425,425	4,575
Office supplies and expenses	42,000	42,567	(567)
Education and travel	7,000	4,834	2,166
Automobile	21,000	16,800	4,200
Professional	10,000	9,793	207
Capital outlay (Note 4)	28,000	28,197	(197)
Total expenditures	538,000	527,616	10,384
Excess (deficiency) of revenues over expenditures	(52,300)	(20,821)	31,479
Fund balance, beginning of year	94,042	94,042	---
Fund balance, end of year	$ 41,742	$ 73,221	$31,479

The accompanying notes are an integral part of this statement.

VERNON PARISH ASSESSOR
Notes to the Financial Statements
December 31, 2001

Note 1--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 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 old renovated library next door to the Vernon Parish Courthouse in Leesville, Louisiana. The Assessor employs eight 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 the collection and distribution of taxes to the various taxing bodies.

A. Basis of Presentation

The accompanying general purpose financial statements of the Vernon 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

The assessor is an independently elected official. The Vernon Parish Police Jury maintains and operates the renovated library building in which the assessor's office is located.

Note 1--Summary of Significant Accounting Policies (Cont.)

B. Reporting Entity (Continued)

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 compromise the financial reporting entity.

C. Fund Accounting

The accounts of the Assessor are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The General Fund, as provided by Louisiana Revised Statutes 47:1906, is used to account for the operations of the Assessor's office. Compensation received from the various taxing bodies prescribed by formula in Louisiana Revised Statues 47:1907-1908 is accounted for in this fund. General operating expenditures are paid from this fund.

D. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits with maturities of 90 days or less. Under state law, the assessor may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

E. Fixed Assets

Fixed assets used in governmental type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets. All fixed assets are stated at historical cost. Donated fixed assets are stated at their estimated fair market value on the date donated.

The fixed asset account group is not a "fund." It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

Note 1--Summary of Significant Accounting Policies (Cont.)

F. 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:

Revenue

Compensation received from the various taxing bodies prescribed by formula in Louisiana Revised Statutes 47:1907-1908 is recorded in the year the ad valorem taxes are assessed.

Fees, charges for services, et cetera are recorded when the Assessor is entitled to the funds.

Expenditures

Expenditures are recognized when the related fund liability is incurred (modified accrual).

G. Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual revenues may differ from those estimates.

H. Budgetary Practices

Annually, the Assessor adopts the budget on a modified accrual basis of accounting for the General Fund. The 2001 budget was published and made available for public inspection in December 2000. A public hearing was held on December 19, 2000 when the 2001 budget was adopted. The budget was amended once during the year and Exhibit C reflects the revised budget.

Note 1--Summary of Significant Accounting Policies (Cont.)

I. Vacation and Sick Leave

Vacation Leave

Employees are granted from one to four weeks, depending on length of service, of vacation leave annually. Upon termination of employment, for any reason, an employee may be compensated for accumulated leave, not exceeding that employee's maximum for one year of service. Accumulated vacation time is not carried into future years.

Sick Leave

Employees are granted a maximum of two weeks sick leave annually. Sick leave is non-cumulative, and no payment is made upon termination of employment.

J. Total Column on the Balance Sheet - Overview

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Note 2 - Levied Taxes

Taxes are levied to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Assessor utilizes the Vernon Parish Tax Collection/Sheriff to bill and collect its property taxes using the assessed values determined by his own office.

Note 2 - Levied Taxes

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage
General operations	5.29 mils	5.29 mils

Taxes were levied upon a total assessed valuation of $80,827,050. The total amount levied was $427,575. Furthermore, collection of delinquent taxes and other adjustments resulted in total collections of $425,520.

Note 3 - Cash and Cash Equivalents

As of December 31, 2001, the carrying amount of the Assessor's deposits was $123,357 and the bank balance was $136,048. The entire bank balance of $136,048 was covered by federal depository insurance.

Note 4--Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Equipment	Vehicles	Total
Balance, December 31, 2000	$ 91,415	$ 56,181	$147,596
Additions	3,947	24,250	28,197
Deductions	(6,998)	(15,145)	(22,143)
Balance, December 31, 2001	$ 88,364	$ 65,286	$153,650

Note 5--Pension Plan

All full time deputies of the Assessor's office are members of the Louisiana Assessor's Retirement System (System), a cost-sharing, multiple-employer defined 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

Note 5--Pension Plan (Continued)

credited service are entitled to a retirement benefit, payable monthly for life, equal to 3.33 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 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 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 Assessor's Retirement System, Post Office Box 14699, Baton Rouge, Louisiana 70898-4699.

Funding Policy. The Assessor's office may pay for the employees' 8.0 percent contribution as provided in the law as well as the Assessor's actuarially determined rate of 10.75 percent. This combined payment of both sides of the contribution began in late 1999. Contributions to the System also include one-fourth of one percent 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 Vernon 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 changes each year based on the results of the valuation for the prior fiscal year. The Vernon Parish Assessor's contributions to the System for the years ending December 31, 2001, 2000 and 1999 were $43,872, $35,998 and $15,413, respectively; equal to the required contributions for the year.

Note 6--Deferred Revenue

Deferred revenue at December 31, 2001 consists of the following revenue items collected in December 2001 that represent 2001 revenue:

State revenue sharing	$21,401
Ad valorem taxes	26,475
Total	$47,876

Note 7 - Risk Management

The Assessor is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Assessor carries commercial insurance as outlined in the following table. Settled claims did not exceed commercial coverage for any of the past three fiscal years.

	LIMITS OF COVERAGE
Workmen's compensation	$ 500,000
Auto liability	300,000
Assessor-owned vehicles, equipment and maps	289,500

The Assessor covers all other losses, claim settlements, and judgements form operating resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The Assessor is not involved in any type litigation nor does it have any asserted claims against it.

Schedule 1

Vernon Parish Assessor
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

For the Fiscal Year Ended December 31, 2001

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

There were no prior year findings relating to internal control and compliance material to the financial statements.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

There were no prior year findings relating to internal control and compliance material to federal awards.

SECTION III MANAGEMENT LETTER

There was no management letter with prior year audit report.

See independent auditor's report.

Schedule 2

Vernon Parish Assessor
CORRECTIVE ACTION PLAN

For the Fiscal Year Ended December 31, 2001

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT

N/A

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III MANAGEMENT LETTER

N/A

See independent auditor's report.