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LAFAYETTE PARISH ASSESSOR

Financial Report

Year Ended 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 6-16-04

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KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

WEB SITE:
WWW.KCSRPCAS.COM

Robert S. Carter, CPA
Allen J. LaBry, CPA
Harry J. Clostio, CPA
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA

MEMBER OF:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

* A Professional Accounting Corporation

Honorable Conrad T. Comeaux
Lafayette Parish Assessor
Lafayette, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of the Lafayette Parish Assessor (Assessor), a component unit of the Lafayette Consolidated Government, as of and for the year ended December 31, 2003, which collectively comprise the Assessor's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Assessor. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing 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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the *respective financial position of the governmental activities and the major fund of the Lafayette Parish Assessor, as of December 31, 2003, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.*

For the year ended December 31, 2003, the Assessor has implemented GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the Assessor's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The Assessor also implemented GASB Statement No. 37, Basic Financial Statements – And Management's Discussion and Analysis – For State and Local Governments: Omnibus, No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.

183 South Beadle
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddil
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W. Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

In accordance with Government Auditing Standards, we have also issued a report dated May 14, 2004, on our consideration of the Assessor's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.

The required supplementary information on page 22 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Lafayette Parish Assessor has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Assessor's basic financial statements. The accompanying financial information listed as "Other 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. 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.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the financial statements of the Lafayette Parish Assessor.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
May 14, 2004

BASIC FINANCIAL STATEMENTS

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

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Statement of Net Assets
December 31, 2003

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 191,992
Cash - equipment escrow account	180,755
Revenue receivable	<u>1,205,298</u>
Total current assets	1,578,045
Noncurrent assets:	
Capital assets, net	<u>386,069</u>
Total assets	<u>1,964,114</u>
LIABILITIES	
Current liabilities:	
Accounts payable	146,664
Accrued interest payable	5,848
Capital leases payable - current portion	<u>94,917</u>
Total current liabilities	247,429
Noncurrent liabilities:	
Capital leases payable - long-term portion	<u>275,526</u>
Total liabilities	<u>522,955</u>
NET ASSETS	
Invested in capital assets, net of related debt	9,778
Unrestricted	<u>1,431,381</u>
Total net assets	<u>\$1,441,159</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Statement of Activities
For the Year Ended December 31, 2003

Activities	Expenses	Program Revenues Charges for Services	Net (Expense) Revenues and Changes in Net Assets
Governmental activities:			Governmental Activities
General government	\$ 1,405,364	\$ 49,677	\$(1,355,687)
Interest on long-term debt	<u>8,285</u>	-	<u>(8,285)</u>
Total governmental activities	<u>\$ 1,413,649</u>	<u>\$ 49,677</u>	<u>(1,363,972)</u>
General revenues:			
Property taxes			1,247,617
State revenue sharing			82,352
Interest and investment earnings			<u>7,325</u>
Total general revenues and transfers			<u>1,337,294</u>
Change in net assets			(26,678)
Net assets - December 31, 2002			<u>1,467,837</u>
Net assets - December 31, 2003			<u>\$ 1,441,159</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Comparative Balance Sheet - Governmental Fund
December 31, 2003 and 2002

	General Fund	
	2003	2002
ASSETS		
Cash and interest-bearing deposits	\$ 191,992	\$ 367,686
Cash - equipment escrow account	180,755	-
Revenue receivable-		
Ad valorem taxes, net of allowance for uncollectible taxes (2003 - \$23,850; 2002 - \$15,493)	1,150,397	1,041,099
State revenue sharing	54,901	55,240
Total assets	\$ 1,578,045	\$ 1,464,025
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 29,616	\$ 21,284
Accounts payable--equipment escrow	117,048	-
Total liabilities	146,664	21,284
Fund balance:		
Unreserved, undesignated	1,431,381	1,442,741
Total liabilities and fund balance	\$ 1,578,045	\$ 1,464,025

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
December 31, 2003

Total fund balance for the governmental fund at December 31, 2003		\$1,431,381
Capital assets at December 31, 2003	\$ 506,070	
Less: Accumulated depreciation	<u>(120,001)</u>	386,069
Long-term liabilities at December 31, 2003:		
Capital leases payable	(370,443)	
Accrued interest payable	<u>(5,848)</u>	<u>(376,291)</u>
Total net assets of governmental activities at December 31, 2003		<u>\$1,441,159</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
Years Ended December 31, 2003 and 2002

	General Fund	
	2003	2002
Revenues:		
Intergovernmental revenues -		
Ad valorem taxes	\$1,247,617	\$1,239,407
State revenue sharing	82,352	82,860
Tax roll fees	30,198	30,466
Computer usage fees	11,340	10,395
Informational services	8,139	21,203
Interest income	7,325	10,220
Total revenues	1,386,971	1,394,551
Expenditures:		
Current -		
General government:		
Personnel services and related benefits	1,068,753	1,036,528
Operating services	210,582	142,664
Materials and supplies	87,427	55,428
Capital outlay	306,625	77,911
Debt service:		
Principal retirement	28,746	11,819
Interest expense	3,260	1,577
Total expenditures	1,705,393	1,325,927
Excess (deficiency) of revenues over expenditures	(318,422)	68,624
Other financing source:		
Proceeds from capital lease	307,062	68,768
Net change in fund balance	(11,360)	137,392
Fund balance, beginning	1,442,741	1,305,349
Fund balance, ending	\$1,431,381	\$1,442,741

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

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

Total net change in fund balance for the year ended December 31, 2003 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (11,360)
Add: Capital outlay which is considered as expenditure on Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 306,625
Less: Depreciation expense for the year ended December 31, 2003	<u>(38,602)</u> 268,023
Less: Proceeds received from issuance of capital leases	(307,062)
Add: Payment on capital leases	28,746
Less: Difference between interest on leases on modified accrual basis versus interest on accrual basis	<u>(5,025)</u>
Total change in net assets for the year ended December 31, 2003 per Statement of Activities	<u>\$ (26,678)</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Lafayette Parish Assessor (Assessor) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note. For the fiscal year ended December 31, 2003, the Assessor implemented the new financial reporting requirements of GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. As a result, an entirely new financial presentation format has been implemented.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, Audits of State and Local Governments.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the Assessor is elected by the voters of the parish and serves a term of four years. The Assessor assesses property, prepares tax rolls and submits the rolls to the Louisiana Tax Commission as prescribed by law.

This report includes all funds, which are controlled by the Assessor as an independently elected parish official. Control by or dependence on the Assessor was determined on the basis of general oversight responsibility. The Assessor is fiscally dependent on the Lafayette Consolidated Government since the Assessor’s office is located in the parish government building, the upkeep and maintenance of the parish government building is paid by the Consolidated Government and certain operating expenditures of the Assessor’s office are paid by the Consolidated Government.

As an independently elected official, the Assessor is solely responsible for the operations of his office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity.

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Assessor's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the Assessor are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund of the Assessor is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Assessor is described below:

Governmental Fund -

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Assessor and is used to account for the operations of the Assessor's office. The various fees and charges due to the Assessor's office are accounted for in this fund. General operating expenditures are paid from this fund.

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net assets. In the fund financial statements, the “current financial resources” measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the Assessor’s policy to use restricted resources first, then unrestricted resources as they are needed.

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to Basic Financial Statements (Continued)

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Assessor.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Assessor maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Furniture, fixtures and equipment	3-10 years
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Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

E. Budgetary and Budgetary Accounting

The Assessor follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed budget is prepared and submitted to the Assessor for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Assessor. Such amendments were not material in relation to the original appropriations.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(2) Changes in Accounting Principles

For the year ended December 31, 2003, the Assessor has implemented GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the Assessor’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The Assessor also implemented GASB Statement No. 37, Basic Financial Statements – And Management’s Discussion and Analysis – For State and Local Governments: Omnibus, No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.

The implementation of GASB Statement No. 34 caused the opening fund balance at December 31, 2002 to be restated in terms of “net assets” as follows:

Total fund balance - Governmental Fund - at December 31, 2002		\$ 1,442,741
Add: Cost of capital assets at December 31 2002	\$ 199,445	
Less: Accumulated depreciation at December 31, 2002	<u>(81,399)</u>	118,046
Less: Capital leases payable at December 31, 2002	(92,127)	
Accrued interest payable at December 31, 2002	<u>(823)</u>	<u>(92,950)</u>
Net assets at December 31, 2002		<u>\$ 1,467,837</u>

(3) Cash and Interest-Bearing Deposits

Under state law, the Assessor may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Assessor may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2003, the Assessor has cash and cash equivalents (book balances) totaling \$191,992 as follows:

	Governmental
	<u>Activities</u>
Demand deposits	<u>\$ 191,992</u>

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

These deposits are stated at cost, which approximates fair value. 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 fair 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. The following is a summary of deposit balances (bank balances) at December 31, 2003, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 232,013</u>
Secured by:	
Federal insurance	\$ 103,027
Pledged securities (Category 3)	<u>128,986</u>
Total federal insurance and pledged securities	<u>\$ 232,013</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Assessor's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Assessor that the fiscal agent has failed to pay deposited funds upon demand.

(4) Capital Assets

Capital asset balances and activity for the year ended December 31, 2003 are as follows:

	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
	<u>01/01/03</u>			<u>12/31/2003</u>
Furniture, fixtures and equipment	\$ 199,445	\$ 249,417	-	\$ 448,862
Building improvements	-	57,208	-	57,208
Totals	199,445	306,625	-	506,070
Less: Accumulated depreciation	<u>81,399</u>	<u>38,602</u>	-	<u>120,001</u>
Net capital assets	<u>\$ 118,046</u>	<u>\$ 268,023</u>	<u>\$ -</u>	<u>\$ 386,069</u>

Depreciation expense of \$38,602 was charged to the general government function.

(5) Ad Valorem Taxes

Pursuant to Act 174 of 1990, Louisiana Revised State Statute 47:1925.2 created a special assessment district to provide ad valorem taxes revenue to fund the Assessor's office.

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and billed to the taxpayers by the Lafayette Parish Sheriff in December. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Lafayette Parish Assessor and are collected by the Sheriff.

For the year ended December 31, 2003, taxes were levied at the rate of 1.56 mills on property with assessed valuations totaling \$831,002,237.

Total taxes levied during 2003 were \$1,726,466 of which \$430,292 was excluded due to homestead exemption. Taxes receivable at December 31, 2003 were \$1,150,397, net of allowance for uncollectible taxes of \$23,850.

(6) Pension Plan

Substantially all employees of the Lafayette Parish Assessor's office are members of the Louisiana Assessors' Retirement System (System), a cost-sharing, multiple-employer, defined benefit pension plan administrated by a separate board of trustees. The System provides retirement, disability and death benefits to plan members and their beneficiaries.

Plan members are required to contribute 8.00 percent of their annual covered salary to the system while the Assessor is required to contribute the statutory rate of 14.00 percent of the total annual covered salary. The Assessor's contributions to the system for the years ended December 31, 2003, 2002 and 2001 were \$98,247, \$83,032, and \$49,287, respectively, equal to the required contributions for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana Assessor's Retirement Fund, P.O. Box 14699, Baton Rouge, LA 70898-4699.

(7) Deferred Compensation Plan

The Lafayette Parish Assessor offers its employees participation in the State of Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. The plan is reported as an agency fund in the State of Louisiana's financial statements. The plan, available to all Assessor employees, permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or proof of hardship.

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the general creditors of the State of Louisiana. Participants' rights under the plan are equal to those of general creditors of the State of Louisiana in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of management, after consulting with legal counsel, that the Lafayette Parish Assessor has no liability for losses under the plan.

(8) General Long-Term Debt

During the fiscal years ending December 31, 2003 and 2002, the Lafayette Parish Assessor entered into lease agreements in the amounts of \$307,062 and \$68,768, respectively, to purchase office equipment. In accordance with Financial Accounting Standard No. 13, the leases met the criteria for recordation of a capital lease. The following is a summary of long-term debt transactions of the Lafayette Parish Assessor for the year ended December 31, 2003:

	Balance 1/1/2003	Additions	Reductions	Balance 12/31/2003
Capital Leases	\$ 92,127	\$ 307,062	\$ 28,746	\$ 370,443

Capital leases payable are currently outstanding as follows:

Issue Date	Final Maturity Date	Interest Rates	Balance Outstanding
10/19/01	10/19/2004	5.28	\$ 10,899
10/29/02	10/29/2006	3.59	52,482
06/03/03	7/25/2008	3.35	307,062
			\$ 370,443

The capital leases are due as follows:

Year Ending June 30	Governmental Activities		
	Principal Payments	Interest Payments	Total
2004	\$ 94,917	\$ 12,440	\$107,357
2005	86,922	9,280	96,202
2006	73,060	6,285	79,345
2007	56,806	3,929	60,735
2008	58,738	1,997	60,735
	\$ 370,443	\$ 33,931	\$404,374

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Notes to the Basic Financial Statements (Continued)

(9) Expenditures of the Assessor Paid by the Lafayette Parish Consolidated Government

The Lafayette Parish Consolidated Government provided the office space and utilities for the Assessor's office for the year ended December 31, 2003. These expenditures are not reflected in the accompanying financial statements.

(10) Risk Management

The Assessor is exposed to risks of loss in the areas of auto and property liability and surety bonds. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(11) Litigation

The Assessor is involved in several pieces of litigation filed by various plaintiffs against the Louisiana Tax Commission, et al. The lawsuits were filed primarily in protest of the valuation methodologies instituted by the Louisiana Tax Commission, who in turn required usage of the methodologies by each assessor in Louisiana. Management is of the opinion that monetary damages would be immaterial in the event that the Lafayette Parish Assessor is unsuccessful in defense of the litigation.

**REQUIRED
SUPPLEMENTARY INFORMATION**

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2003
With Comparative Actual Amounts for Year Ended December 31, 2002

	2003		Actual	Variance with Final Budget Positive (Negative)	2002 Actual
	Budget				
	Original	Final			
Revenues:					
Intergovernmental revenues -					
Ad valorem taxes	\$ 1,300,000	\$ 1,279,972	\$ 1,247,617	\$ (32,355)	\$ 1,239,407
State revenue sharing	86,322	82,350	82,352	2	82,860
Tax roll fees	32,000	30,860	30,198	(662)	30,466
Computer usage fees	4,000	11,340	11,340	-	10,395
Informational services	11,300	8,000	8,139	139	21,203
Interest income	9,000	7,200	7,325	125	10,220
Total revenues	<u>1,442,622</u>	<u>1,419,722</u>	<u>1,386,971</u>	<u>(32,751)</u>	<u>1,394,551</u>
Expenditures:					
Current -					
Personnel services and and related benefits	1,049,404	1,066,409	1,068,753	(2,344)	1,036,528
Operating services	169,994	235,494	210,582	24,912	142,664
Materials and supplies	85,250	86,860	87,427	(567)	55,428
Capital outlay	42,000	315,210	306,625	8,585	77,911
Debt service:					
Principal retirement	28,746	28,746	28,746	-	11,819
Interest expense	3,260	3,260	3,260	-	1,577
Total expenditures	<u>1,378,654</u>	<u>1,735,979</u>	<u>1,705,393</u>	<u>30,586</u>	<u>1,325,927</u>
Excess (deficiency) of revenues over expenditures	63,968	(316,257)	(318,422)	(2,165)	68,624
Other financing source:					
Proceeds from capital lease	-	307,062	307,062	-	68,768
Excess of revenues and other source over expenditures	63,968	(9,195)	(11,360)	(2,165)	137,392
Fund balance, beginning	<u>1,442,741</u>	<u>1,442,741</u>	<u>1,442,741</u>	-	<u>1,305,349</u>
Fund balance, ending	<u>\$ 1,506,709</u>	<u>\$ 1,433,546</u>	<u>\$ 1,431,381</u>	<u>\$ (2,165)</u>	<u>\$ 1,442,741</u>

OTHER SUPPLEMENTARY INFORMATION

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Statement of Expenditures Compared to Budget (GAAP Basis) -
General Fund
Year Ended December 31, 2003
With Comparative Actual Amounts for Year Ended December 31, 2002

	2003			Variance - Favorable (Unfavorable)	2002 Actual
	Budget		Actual		
	Original	Final			
Current:					
Personnel services and related benefits -					
Salaries:					
Assessor	\$ 85,600	\$ 93,090	\$ 93,090	\$ -	\$ 85,600
Deputy Assessors	600,000	600,000	603,065	(3,065)	614,657
Allowance	8,560	9,309	9,309	-	8,560
Other	56,000	75,000	74,623	377	46,904
Deferred compensation	-	25,000	25,148	(148)	-
Vacation expense	-	10,000	8,739	1,261	-
Group insurance	180,000	155,320	156,016	(696)	174,325
Unemployment	-	516	516	-	-
Pension	119,244	98,174	98,247	(73)	106,482
Total personnel services and related benefits	<u>1,049,404</u>	<u>1,066,409</u>	<u>1,068,753</u>	<u>(2,344)</u>	<u>1,036,528</u>
Operating services -					
Professional fees - legal and accounting	30,000	43,750	32,727	11,023	34,862
Professional fees - computer	45,600	66,500	49,646	16,854	27,828
Professional fees - other	12,000	17,500	13,449	4,051	23,063
Contract labor	32,400	37,250	35,994	1,256	-
Insurance	12,000	12,000	11,064	936	9,263
Telephone	12,000	13,000	11,395	1,605	7,360
Travel and conference	12,000	17,000	20,709	(3,709)	14,670
Equipment and lease expense	3,994	18,494	17,291	1,203	15,076
Parking	10,000	10,000	9,950	50	9,620
Bad debts	-	-	8,357	(8,357)	922
Total operating services	<u>169,994</u>	<u>235,494</u>	<u>210,582</u>	<u>24,912</u>	<u>142,664</u>
Materials and supplies -					
Office supplies and expense	30,000	44,000	46,121	(2,121)	31,295
Postage and shipping	42,000	14,000	13,969	31	11,546
Automobile supplies and maintenance	6,000	11,500	10,046	1,454	6,074
Dues and subscriptions	5,000	13,000	12,928	72	5,797
Uniforms	1,500	4,000	4,058	(58)	69
Miscellaneous	750	360	305	55	647
Total materials and supplies	<u>85,250</u>	<u>86,860</u>	<u>87,427</u>	<u>(567)</u>	<u>55,428</u>
Capital outlay:					
Office equipment	42,000	315,210	306,625	8,585	77,911
Debt service:					
Principal retirement	28,746	28,746	28,746	-	11,819
Interest expense	3,260	3,260	3,260	-	1,577
Total debt service	<u>32,006</u>	<u>32,006</u>	<u>32,006</u>	<u>-</u>	<u>13,396</u>
Total expenditures	<u>\$ 1,378,654</u>	<u>\$ 1,735,979</u>	<u>\$ 1,705,393</u>	<u>\$ 30,586</u>	<u>\$ 1,325,927</u>

**COMPLIANCE
AND
INTERNAL CONTROL**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

WEB SITE:
WWW.KCSRCPAS.COM

Robert S. Carter, CPA
Allen J. LaBry, CPA
Harry J. Clostio, CPA
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA

MEMBER OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

* A Professional Accounting Corporation

**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 Conrad T. Comeaux
Lafayette Parish Assessor
Lafayette, Louisiana

We have audited the financial statements of the governmental activities and the major fund of the Lafayette Parish Assessor, a component unit of the Lafayette Consolidated Government, as of and for the year ended December 31, 2003, which collectively comprise the Assessor's basic financial statements and have issued our report thereon dated May 14, 2004. We conducted our audit in accordance with auditing 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.

Compliance

As part of obtaining reasonable assurance about whether the Lafayette Parish Assessor's financial statements 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 the Lafayette Parish Assessor's internal control over financial reporting 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Lafayette Parish Assessor's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 03-1 (IC).

183 South Beadle
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddil
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W. Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

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. Our 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, we believe the reportable condition described above is a material weakness.

This report is intended solely for the information and use of management of the Lafayette Parish Assessor and is not intended to be and should not be used by anyone other than this specified party. However, this report is a matter of public record and its distribution is not limited.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
May 14, 2004

LAFAYETTE PARISH ASSESSOR
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended December 31, 2003

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
CURRENT YEAR (12/31/03) --						
<u>Internal Control:</u> 03-1(IC)	Unknown	Due to the small number of employees, the Lafayette Parish Assessor did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Pat McDonald Accountant	N/A
PRIOR YEAR (12/31/02) --						
<u>Internal Control:</u> 02-1(IC)	Unknown	same as 03-01(IC)	N/A	No response is considered necessary.	Pat McDonald Accountant	N/A