

MADISON PARISH ASSESSOR  
FINANCIAL STATEMENTS  
AS OF 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 6.9.04

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MADISON PARISH ASSESSOR  
TALLULAH, LOUISIANA  
GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

Mr. Jim Sevier  
Madison Parish Assessor  
Tallulah, Louisiana

I have audited the accompanying general purpose financial statements of the Madison 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 Madison Parish Assessor. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 statement referred to above present fairly, in all material respects, the financial position of the Madison 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 May 10, 2004 on my consideration of the Assessor's internal control over financial reporting and my tests of its compliance with certain provisions of laws. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Tallulah, Louisiana  
May 10, 2004



MADISON PARISH ASSESSOR  
TALLULAH, LOUISIANA  
BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUP  
DECEMBER 31, 2003

	Governmental	Account	Total	
	Fund Type - General Fund (Salary)	Group General Fixed Assets	(Memorandum Only)	
			2003	2002
<b>ASSETS</b>				
Cash	\$ 21,642	\$ -	\$ 21,642	\$ 23,974
Ad valorem taxes receivable	249,915	-	249,915	267,980
Interest receivable	190	-	190	254
Investments	57,587	-	57,587	46,680
Prepaid expenses	638	-	638	-
Equipment	-	43,414	43,414	43,414
Total assets	<u>329,972</u>	<u>43,414</u>	<u>373,386</u>	<u>382,302</u>
<b>LIABILITIES</b>				
Liabilities - accounts payable	314	-	314	294
Total liabilities	<u>314</u>	<u>-</u>	<u>314</u>	<u>294</u>
<b>FUND EQUITY</b>				
Investment in general fixed assets	-	43,414	43,414	43,414
Fund balance - unreserved - undesignated	329,658	-	329,658	338,594
Total fund equity	<u>329,658</u>	<u>43,414</u>	<u>373,072</u>	<u>382,008</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 329,972</u>	<u>\$ 43,414</u>	<u>\$ 373,386</u>	<u>\$ 382,302</u>

The accompanying notes are an integral part of this statement.

MADISON PARISH ASSESSOR  
TALLULAH, LOUISIANA  
GOVERNMENTAL FUND TYPE - GENERAL FUND  
(SALARY FUND)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2003

	<u>2003</u>	<u>2002</u>
<b>REVENUES</b>		
Taxes - ad valorem	\$ 295,065	\$ 293,618
Preparing tax rolls for municipalities	4,953	4,959
Use of money	1,235	1,680
Other income	359	261
Total revenue	<u>301,612</u>	<u>300,518</u>
<b>EXPENDITURES</b>		
General Governmental:		
Salaries:		
Assessor	82,390	74,900
Deputies	82,302	80,249
Others	19,556	16,022
Employee benefits	84,017	79,040
Travel:		
Assessor's expense allowance	8,239	7,490
Other	1,855	861
Material and supplies:		
Office	23,604	23,494
Automobile	6,601	6,601
Other - supplies	1,984	5,016
Total expenditures	<u>310,548</u>	<u>293,673</u>
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(8,936)</b>	<b>6,845</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u><b>338,594</b></u>	<u><b>331,749</b></u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u><b>\$ 329,658</b></u></u>	<u><u><b>\$ 338,594</b></u></u>

The accompanying notes are an integral part of this statement.

**MADISON PARISH ASSESSOR**  
**TALLULAH, LOUISIANA**  
**GOVERNMENT FUND TYPE - GENERAL FUND**  
**(SALARY FUND)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes - ad valorem	\$ 295,000	\$ 295,065	\$ 65
Preparing tax rolls for municipalities	5,000	4,953	(47)
Use of money	1,500	1,235	(265)
Other income	300	359	59
Total revenues	<u>301,800</u>	<u>301,612</u>	<u>(188)</u>
<b>EXPENDITURES</b>			
Salaries:			
Assessor	82,390	82,390	-
Deputies	82,302	82,302	-
Other	17,000	19,556	(2,556)
Employee benefits	77,000	84,017	(7,017)
Travel:			
Assessor's expense allowance	8,000	8,239	(239)
Other	1,000	1,855	(855)
Material and supplies:			
Office	25,100	23,604	1,496
Automobile	6,600	6,601	(1)
Other supplies	2,000	1,984	16
Total expenditures	<u>301,392</u>	<u>310,548</u>	<u>(9,156)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	408	(8,936)	(9,344)
<b>FUND BALANCE - BEGINNING</b>	<u>338,594</u>	<u>338,594</u>	-
<b>FUND BALANCE - ENDING</b>	<u>\$ 339,002</u>	<u>\$ 329,658</u>	<u>\$ (9,344)</u>

The accompanying notes are an integral part of this statement.

**MADISON PARISH ASSESSOR  
TALLULAH, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**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 each parish, Orleans Parish excepted, and serve terms of four years. The assessors assess property, prepare tax rolls, and submit the rolls to the Louisiana Tax Commission as prescribed by law.

In April of 1984, the Financial Accounting Foundation was established by Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local governments.

For financial reporting purposes, in conformance with GASB Codification Section 2100, the assessor includes all funds, account groups, activities et cetera that are controlled by the assessor as an independently elected parish official. The activities of the parish police jury, school board, other independently elected parish officials, and municipal level government are not included within the accompanying financial statements as they are considered autonomous governments. These units of governmental issue financial statements are separate from that of the assessor.

**A. 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 operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

**General Fund**

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the principal fund of the assessor and is used to account for the operation of the assessor's office.

Compensation received from the various taxing bodies, prescribed by formula in Louisiana Revised Statute 47:1908, is accounted for in this fund. General operating expenditures are paid from this fund.

**Special Revenue Fund (Assessment)**

In 2003, the Madison Parish Assessor did not have any special revenues.

MADISON PARISH ASSESSOR  
TALLULAH, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**B. FIXED ASSETS AND LONG-TERM LIABILITIES**

Fixed assets are used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group rather than in the governmental funds. No depreciation has been provided on fixed assets. Fixed assets are valued at historical cost or estimated historical cost if historical cost is not available. (See Note 2 for the details on estimated cost).

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

There was no long-term liabilities at December 31, 2003.

**C. BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting is related to the timing of the measurements made, regardless of the measurement focus applied.

The assessor's records are maintained on a cash basis of accounting. However, the fund reported in the accompanying financial statements has been converted to a modified accrual basis of accounting utilizing the following practices:

**Revenues**

Ad valorem taxes are recorded in the year the taxes are assessed.

Revenues from preparing tax rolls for municipalities are recorded in the year in which the tax rolls are prepared.

All other revenues are recorded when received.

**Expenditures**

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

**D. BUDGETARY ACCOUNTING**

The assessor prepares an annual operating budget and files it with the Legislative Auditor within the first ninety days of each year. He does not hold any public hearings or publish the budget in the local newspaper. However, the assessor's books are open for public inspection.

MADISON PARISH ASSESSOR  
TALLULAH, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**E. INVESTMENTS**

At December 31, 2003, the Assessor had investments totaling \$57,587, all of which was in certificate of deposits. They were secured from risk by federal deposit insurance.

	Date		Interest Rate	Carrying Amount	Market Value
	Issue	Maturity			
Hibernia National Bank	10/3/2003	4/4/2004	1.15%	\$ 20,927	\$ 20,927
Hibernia National Bank	8/11/2003	2/9/2004	1.00%	\$ 10,105	\$ 10,105
Hibernia National Bank	3/5/2003	3/4/2004	1.40%	16,340	16,340
Guaranty National Bank	2/8/2003	2/8/2004	1.65%	10,215	10,215
Total				\$ 57,587	\$ 57,587

**F. VACATION AND SICK LEAVE**

The assessor allows two weeks per year in paid vacation and sick leave, however, this leave does not accrue. Since this leave policy does not provide for the accumulation and vesting of leave, no liability has been recorded in the financial statements.

**G. TOTAL COLUMNS ON THE STATEMENTS**

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 - CASH

Cash includes amounts in interest bearing demand deposits. Under state law, the assessor may deposit funds in demand deposits, interest bearing deposits, money market accounts, or time deposits with state banks organized under the laws of a state of the United States of America.

As of December 31, 2003, the book balance of the assessor's deposits was \$21,642 and the bank balance was \$23,529. Of the bank balance, all was covered by federal depository insurance.

NOTE 3 - AD VALOREM TAXES RECEIVABLE

The receivable consists of property taxes for the calendar year 2003. These taxes were due by December 31, 2003, but if unpaid, the related property can be sold to collect the taxes, therefore all amounts are considered collectable by the assessor.

MADISON PARISH ASSESSOR  
TALLULAH, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

There were no changes in general fixed assets during 2003.

Balance, January 1, 2003 and December 31, 2003	<u>\$43,414</u>
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The assessor has maintained historical cost of all fixed assets purchased since January 1, 1982. These assets account for the total fixed assets included in the Account Group - General Fixed Assets on the balance sheet.

NOTE 5 - PENSION PLAN

Substantially all employees of the Madison Parish Assessor's office are members of the Louisiana Assessors Retirement System, a multiple-employer (cost-sharing), a Public Employee Retirement System (PERS), controlled and administered by a separate board of trustees.

All full-time employees who are under the age of 55 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 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 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 to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of one percent of the taxes shown to be collected by the tax rolls of each parish. State statute requires covered employees to contribute a percentage of their salaries to the System. 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 current year the employer's contribution was 14.00% of salaries, and the employee's contribution was 8%.

The Legislator of Louisiana enacted a bill that was approved by the Governor on July 2, 1999, that gave the assessor the authority to elect to pay the employees share of the contribution. The Madison Parish Assessor has made this election, therefore 100% of the 2003 contributions were paid by the assessor. Because of this election, the assessor was paying 22.00% of qualified salaries to the retirement system.

MADISON PARISH ASSESSOR  
TALLULAH, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - PENSION PLAN (continued)

The following provided certain disclosures for the assessor and the retirement system that are required by GASB codifications Section P20.129:

Contribution rates:	
Employees	<u>0.00%</u>
Employer -	<u>22.00%</u>
Total current year payroll	<u>\$192,487</u>
Total current year covered payroll	<u>\$190,318</u>

	<u>Required By Statute Per Cent</u>	<u>Amount</u>	<u>Actual</u>
Contributions:			
Employees	0.00%	\$ -	\$ -
Employer	<u>22.00%</u>	<u>41,894</u>	<u>41,894</u>
Total	<u>22.00%</u>	<u>\$ 41,894</u>	<u>\$41,894</u>

The fiscal year of the System is from October 1 through September 30. The total payroll of all covered employees of the System for the year ended September 30, 2003.

Retirement System

Payroll for current year	<u>\$ 26,991,176</u>
Actuarially required contribution for employers and employees:	
Dollar amount	<u>\$ 10,447,589</u>
Net actuarially required employer contributions as a percent of projected payroll	<u>14.49%</u>
Net assets	<u>\$107,179,684</u>
Pension benefit obligation	<u>\$142,364,377</u>
Unfunded pension benefit obligation	<u>\$ 35,184,693</u>

MADISON PARISH ASSESSOR  
TALLULAH, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - PENSION PLAN (continued)

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligation for individual employees.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's September 30, 2003 comprehensive annual financial report.

NOTE 6 - LEASES

At December 31, 2003, the assessor did not have any capital leases, but he did have an operating lease on a 2002 GMC Envoy. This was a 36 month lease beginning October 15, 2001 and terminating October 15, 2004. The remaining minimum annual commitments under the lease are as follows:

2004	\$5,500
Total	<u>\$5,500</u>

INTERNAL CONTROL

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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**

Mr. Jim Sevier  
Madison Parish Assessor  
Tallulah, Louisiana

I have audited the general purpose financial statements of Madison Parish Assessor for the year ended December 31, 2003, and have issued my report thereon dated May 10, 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 of America.

Compliance

As part of obtaining reasonable assurance about whether Madison Parish Assessor's general purpose 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 Financial Reporting

In planning and performing my audit, I considered Madison Parish Assessor's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of 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 general purpose 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.

Mr. Jim Sevier  
Madison Parish Assessor

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I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

There were no prior year comments to be addressed and therefore an accompanying schedule of prior year findings is not included.

This report is intended solely for the information and use of the assessor, management, others within the organization, and applicable State Auditors and is not intended to be and should not be used by anyone other than these specified parties.

Tallulah, Louisiana  
May 10, 2004

