

Livingston Parish Assessor
Annual Financial Statements

As of December 31, 2004 and for the Year then Ended

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 6-29-05

LEROY J. CHUSTZ
Certified Public Accountant
A Professional Accounting Corporation

Livingston Parish Assessor
Annual Financial Statements
As of and for the Year Ended December 31, 2004
With Supplemental Information Schedules

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Livingston Parish Assessor

**Annual Financial Statements
As of and for the Year Ended December 31, 2004
With Supplemental Information Schedules**

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL REPORTS

Honorable Jeff Taylor
Livingston Parish Assessor
Livingston, Louisiana

I have audited the accompanying general purpose financial statements of **Livingston Parish Assessor**, as of and for the year ended December 31, 2004, as listed in the Table of Contents. These basic financial statements are the responsibility of Livingston 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 to auditing principles generally accepted in the United States of America ; *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Legislative Auditor. 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 basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 3, 2005, on my consideration of the **Livingston Parish Assessor's** internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, and contracts. 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.

Management's discussion and analysis and the other Required Supplemental Information on pages 7 through 12 and 38 through 43, respectively, are not a required part of the basic financial statements, but are supplemental information required by the Government Auditing Standards Board. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of supplemental information. However, I did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the **Livingston Parish Assessor's** basic financial statements. The other accompanying supplementary schedules, as listed in the table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements of **Livingston Parish Assessor**. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Leroy J. Chustz

Certified Public Accountant, APAC
June 3, 2005

**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 Jeff Taylor
Livingston Parish Assessor
Livingston, Louisiana**

I have audited the general purpose financial statements of **Livingston Parish Assessor**, Livingston, Louisiana, as of and for the year ended December 31, 2004, and have issued my report thereon dated June 3, 2005. 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.

Compliance

As part of obtaining reasonable assurance about whether **Livingston Parish Assessor's** financial statements are free of material misstatement, I performed tests of 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2004-1.

Internal Control Over Financial Reporting

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

This report is intended solely for the information and use of **Livingston Parish Assessor's** management, pass-through entities, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Leroy J. Chustz

Certified Public Accountant, APAC

June 3, 2005

Required Supplemental Information (Part I)
Management's Discussion and Analysis

**Livingston Parish Assessor
Livingston, Louisiana**

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2004**

Introduction

The Livingston Parish Assessor is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), and related standards. This is the first year of presentation under the new GASB 34 format.

The Assessor's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Assessor's financial activity, (c) identify changes in the Assessor's financial position, (d) identify any significant variations from the Assessor's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Assessor's financial statements on pages 13 through 19 of this report.

Financial Highlights

- At December 31, 2004, the Assessor's assets exceeded its liabilities by \$1,940,048 (net assets). All net assets are unrestricted and may be used to meet the Assessor's ongoing obligations.
- For the year ended December 31, 2004, the Assessor's total net assets increased by \$482,026.
- At December 31, 2004, the Assessor's General Fund reported an ending fund balance of \$1,862,892. This was an increase of \$506,141 for the year.
- At December 31, 2004, the Assessor had cash and cash equivalents of \$318,783 which represents an increase of \$261,473 from the prior year.
- At December 31, 2004, the Assessor had capital assets net of accumulated depreciation of \$77,156. This was a decrease of \$24,115 from the prior year.
- The Assessor had capital asset purchases of \$3,600 and depreciation expense of \$27,715 for the year ended December 31, 2004.

**Livingston Parish Assessor
Livingston, Louisiana**

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2004**

Overview of the Annual Financial Report

The financial statement focus is on both the Livingston Parish Assessor as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Assessor's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Assessor's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Assessor's finances in a manner similar to a private-sector business.

The Statement of Net Assets presents information on the Assessor's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net assets. Over time, the increases or decreases in net assets and changes in the components of net assets may serve as a useful indicator of whether the financial position of the Assessor is improving or deteriorating.

The Statement of Activities presents information showing how the Assessor's net assets changed during the most recent fiscal year, focusing on both the gross and net costs of various activities that are supported by the Assessor's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services.

The Assessor's activities are presented as Governmental activities.

Governmental activities - The Assessor's basic services are reported here. These activities are financed primarily by advalorem taxes.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Assessor, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Assessor uses one category of funds to account for financial transactions: governmental funds. Traditional users of governmental financial statements will find the fund financial statement presentation more familiar.

**Livingston Parish Assessor
Livingston, Louisiana**

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2004**

A governmental fund is used to account for the Assessor's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Assessor's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Assessor's programs. The basic governmental fund financial statements can be found on pages 16 through 21 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Assessor's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Change in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations can be found on page 18 and 21 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 31 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Assessor's net assets for the current year as compared to the prior year. For more detailed information, see the Statement of Net Assets on page 14 of this report.

**Livingston Parish Assessor
Livingston, Louisiana**

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2004**

	2004	2003
Assets:		
Current and Other Assets	\$ 1,897,376	\$ 1,383,019
Capital Assets	<u>77,156</u>	<u>205,415</u>
Total Assets	<u>1,974,532</u>	<u>1,588,434</u>
Liabilities:		
Other Liabilities	<u>34,484</u>	<u>26,267</u>
Total Liabilities	<u>34,484</u>	<u>26,267</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	77,156	101,271
Unrestricted	<u>1,862,892</u>	<u>1,460,896</u>
Total Net Assets	<u>\$ 1,940,048</u>	<u>\$ 1,562,167</u>

One-Hundred percent of the Assessor's net assets is unrestricted and may be used to meet the Assessor's ongoing obligations to its citizens.

At December 31, 2004, the Assessor had cash and cash equivalents of \$318,783. This represents approximately 17% of current and other assets.

Approximately 4% of the Assessor's net assets reflects its investment in capital assets.

In order to further understand what makes up the changes in net assets, the following table provides a summary of the results of the Assessor's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities on pages 15 of this report.

**Livingston Parish Assessor
Livingston, Louisiana**

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2004**

Governmental Activities	2004	2003
Revenues:		
General Revenues:		
Ad Valorem Tax Revenue	\$ 1,631,183	\$ 1,418,774
State Revenue Sharing	88,493	80,130
Interest Income	10,154	7,404
Other	1,602	25,112
Total Revenues	1,731,431	1,531,420
Program Expenses:		
Public Works	1,249,406	1,397,601
Total Program Expenses	1,249,406	1,397,601
Change in Net Assets	482,026	133,819
Net Assets, Beginning	1,458,022	1,324,203
Net Assets, Ending	\$ 1,940,048	\$ 1,458,022

The Assessor's total revenues increased by \$200,011 or 14% of the prior year amount due primarily to an increase in ad valorem tax revenue of \$212,409. Total program expenses decreased by \$148,195 or 11%.

Fund Financial Analysis

As noted earlier, the Assessor uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Assessor's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Assessor's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Assessor's net resources available for spending at the end of the year. The basic governmental fund financial statements can be found on pages 17 through 21 of this report.

The General Fund is the only fund of the Assessor. At the end of the current year, the total fund balance for the General Fund was \$1,862,892, all of which was unreserved. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 149% of total General Fund expenditures, while total fund balance represents 149% of the same amount.

**Livingston Parish Assessor
Livingston, Louisiana**

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2004**

During the current year, the Assessor's General Fund balance increased by \$506,141.

General Fund Budgetary Highlights

The Assessor demonstrated legal compliance by adopting and amending its budget in accordance with provisions of the Local Government Budget Act. As required by state law, actual revenues and other sources were within 5% of budgeted revenues and other sources. Actual expenditures were less than budgeted expenditures and other uses by 7%.

An analysis of significant variations between original and final budget amounts and between final budget amounts and actual budget results and the reasons for those variations are listed below.

- The original budget for ad valorem tax revenue was exceeded the final budget by \$374,803 due to an increase in ad valorem tax revenue.
- Actual capital expenditures were \$52,074 less than the final budget.

Capital Asset and Debt Administration

At December 31, 2004, the Assessor had \$77,156, net of depreciation, invested in capital assets. This amount represents an decrease of \$24,115 (net of depreciation).

The following table provides a summary of the Assessor's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 8 to the financial statements on page 30 of this report.

**Capital Assets (Net of Depreciation)
December 31, 2003 and 2004**

	2004	2003
Equipment and Furniture	54,256	52,842
Vehicles	80,242	80,242
Computers	22,980	20,795
Accumulated Depreciation	(80,322)	(52,608)
Capital Assets, Net	\$ 77,156	\$ 101,271

Major asset additions include the following:

- \$2,185 for new computer equipment.

**Livingston Parish Assessor
Livingston, Louisiana**

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2004**

\$1,414 for new office furniture.

Contacting the Assessor's Financial Management

This financial report is designed to provide Livingston Parish citizens, taxpayers, customers and creditors with a general overview of the District's finances and show the Assessor's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Livingston Parish Assessor, Post Office Box 307, Livingston, LA 70754.

Basic Financial Statements
Government-Wide Financial Statements

Livingston Parish Assessor

Statement A

Statement of Net Assets
December 31, 2004

	<u>Governmental Activities</u>
Assets	
Cash & Cash Equivalents	\$ 118,782.76
Certificates of Deposit	200,000.00
Receivables	1,578,592.90
Capital Assets	157,478.24
Less: Accumulated Depreciation	<u>-80,322.29</u>
Total Assets	<u>1,974,531.61</u>
Liabilities	
Accounts Payable	19,399.51
AdValorem Tax Deductions payable	12,605.36
Payroll Taxes Payable	<u>2,478.58</u>
Total Liabilities	<u>34,483.45</u>
Net Assets	
Invested in Capital Assets, Net	77,155.95
Unrestricted	<u>1,862,892.21</u>
Total Net Assets	<u>\$ 1,940,048.16</u>

See accompanying notes to the financial statements.

Livingston Parish Assessor
Statement of Activities
For the Year Ended December 31, 2004

Statement B

	Expenses	Program Revenues Charges for Services	Net Revenue (Expense) and Changes in Net Assets Governmental Activities
Governmental Activities			
Personal Services and Related Benefits	\$ -915,768.64	\$ 23,973.84	\$ -891,794.80
Operating Services	-124,685.98	-	-124,685.98
Material and Supplies	-55,019.71	-	-55,019.71
Professional Services	-104,648.05	-	-104,648.05
Travel and Education	-31,116.13	-	-31,116.13
Asset Acquisitions (not capitalizable)	-14,426.12	-	-14,426.12
Depreciation Expense	-27,714.79	-	-27,714.79
Total Governmental Activities	\$ -1,273,379.42	\$ 23,973.84	-1,249,405.58
General Revenues			
Ad Valorem			1,631,182.50
Revenue Sharing			88,493.31
Other Revenues			1,601.80
Interest Earned			10,153.86
Total General Revenues			1,731,431.47
Change in Net Assets			482,025.89
Net Assets, Beginning of Year			1,356,751.47
Adjustment to Net Assets due to prior period restatement			101,270.80
Net Assets, End of Year			\$ 1,940,048.16

See accompanying notes to the financial statements.

Basic Financial Statements
Fund Financial Statements
Governmental Fund Financial Statements

Livingston Parish Assessor

Statement C

Balance Sheet
Governmental Funds
December 31, 2004

	<u>General Fund</u>
Assets	
Cash & Cash Equivalents	\$ 118,782.76
Investments, At Fair Value	200,000.00
Taxes Recievable (Net)	<u>1,578,592.90</u>
Total Assets	<u>\$ 1,897,375.66</u>
Liabilities & Fund Balance	
Liabilities:	
Accounts Payable	\$ 19,399.51
Assessor's Pension Payable	12,605.36
Payroll Taxes Payable	<u>2,478.58</u>
Total Liabilities	<u>34,483.45</u>
Fund Balance:	
Unreserved	<u>1,862,892.21</u>
Total Liabilities & Fund Balance	<u>\$ 1,897,375.66</u>

See accompanying notes to the financial statements.

Livingston Parish Assessor

Statement D

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
December 31, 2004

Total Fund Balances, Governmental Funds \$ 1,862,892.21

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Governmental capital assets, net of depreciation 77,155.95

Net Assets, Governmental Activities \$ 1,940,048.16

See accompanying notes to the financial statements.

Livingston Parish Assessor

Statement E

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2004**

Revenues:	<u>2004</u>
Taxes -	
Ad Valorem Taxes	\$ 1,631,182.50
Intergovernmental Revenues -	
Compensation from Taxing Bodies	23,973.84
State Revenue Sharing	88,493.31
Use of Money and Property -	
Interest Earned	10,153.86
Other Revenues -	
Information Services	887.80
Refunds	<u>714.00</u>
Total Revenues	<u>1,755,405.31</u>
Expenditures:	
Personal Services and Related Benefits -	
Salaries - Assessor	93,090.00
Salaries - Deputies	488,180.94
Salaries - Other	104,058.71
Benefits - Retirement	95,514.70
Benefits - Life Insurance	3,114.60
Benefits - Unemployment	2,821.00
Benefits - SS & Medicare	15,985.39
Benefits - Health Insurance	112,751.20
Benefits - Retiree Insurance	<u>252.10</u>
Total Salaries and Benefits	<u>915,768.64</u>
Professional Services -	
Professional Services - Legal	18,575.00
Professional Services - Accounting	23,900.00
Professional Services - Surveying & Mapping	31,500.00
Professional Services - Computer Support	14,803.75
Professional Services	1,580.20
Dues, Ads, Publications	10,153.10
Seminars	6,221.00
Certifications	<u>100.00</u>
Total Professional Services	<u>106,833.05</u>
Materials and Supplies -	
Supplies - Office Expense	23,095.89
Supplies - Uniforms	4,762.50
Supplies - Office Forms	10,263.92
Supplies - Auto	10,301.70
Storage Lease	5,148.79
Other Expense	<u>1,446.91</u>
Total Materials and Supplies	<u>55,019.71</u>

Livingston Parish Assessor

Statement E

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2004**

Operating Services -	
Insurance - Auto	9,681.50
Insurance - Other	4,303.35
Insurance - Workers Compensation	33,779.83
Equipment Maintenance	1,295.40
Office Equipment Maintenance	1,164.93
Fleet Maintenance	9,187.03
Copier Rent	11,105.89
Office Rent	21,247.74
Office Improvements	10,707.00
Communications - Phone	11,863.33
Communications - Cellular	3,527.33
Water	400.49
Shipping	5,254.71
Utilities	2,119.16
Equipment Expense	<u>463.23</u>
	<u>126,100.92</u>
Travel and Other Charges -	
Assessor's Expense Allowance	9,309.00
Travel and Education	<u>21,807.13</u>
Total Travel and Other Charges	<u>31,116.13</u>
Capital Outlays -	
Equipment Purchased	<u>14,426.12</u>
Total Capital Outlays	<u>14,426.12</u>
Total Expenditures	<u>1,249,264.57</u>
EXCESS REVENUES (EXPENDITURES)	<u>506,140.74</u>
Fund Balance December 31, 2003	<u>1,356,751.47</u>
Fund Balance December 31, 2004	<u>\$ 1,862,892.21</u>

See accompanying notes to the financial statements.

Livingston Parish Assessor

Statement F

**Reconciliation of the Change in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2004**

Total Net Change in Fund Balances, Governmental Funds \$ 506,140.74

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. These differences consist of:

Capital outlay	3,599.94
Depreciation expense	-27,714.79

Change in Net Assets, Governmental Activities \$ 482,025.89

See accompanying notes to the financial statements.

Basic Financial Statements

Notes to the Financial Statements

**LIVINGSTON PARISH ASSESSOR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

Introduction

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

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of Livingston Parish Assessor. The Assessor does not have any business-type activities and reports only governmental activities. Governmental activities are supported for the most part by Ad valorem tax and State Revenue Sharing.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The Assessor reports primarily general revenues.

Separate financial statements are provided for governmental funds.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**LIVINGSTON PARISH ASSESSOR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Interest on investments and the change in fair value of the investments is recorded as earned. All other revenue items are considered to be measurable and available only when cash is received by the government.

Livingston Parish Assessor reports the following governmental funds:

General Fund - Accounts for all financial resources of the Assessor except those required to be accounted for in another fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. The Assessor reports only general revenues consisting of interest on investments and the change in fair value of the investments, which are restricted per court order.

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.

C. Deposits and Investments

The Assessor's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Assessor's investment policy allow the Assessor to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

**LIVINGSTON PARISH ASSESSOR
NOTES TO THE FINANCIAL STATEMENTS
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Investments for the Assessor are reported at fair market value.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not *expendable available financial resources*.

E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Restricted Assets

Certain proceeds of specific revenue sources that are legally restricted to expenditures for a specified purpose are classified as restricted assets because their use is limited to specific expenditures.

G. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are capitalized at historical cost. 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 asset lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

**LIVINGSTON PARISH ASSESSOR
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Buildings & Improvements	20 - 40 Years
Machinery & Equipment	5 - 25 Years
Furniture and Fixtures	5 - 12 Years

H. Compensated Absences

Assessor employees earn vacation leave of 10 days per year for the first to tenth year of employment, 15 days per year for eleventh to twentieth year of employment, and 20 days per year for the twenty-first and greater years of employment. No leave can be carried forward.

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Assessor, which are either unusual in nature or infrequent in occurrence.

L. Estimates

The preparation of financial statements in conformance with accounting principles generally accepted in the United States of America 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

**LIVINGSTON PARISH ASSESSOR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

statements and the reported amounts of revenues, expenditures, and expenses during the reported period. Actual results could differ from those estimates.

M. Reconciliations of Government-Wide and Fund Financial Statements

The following reconciles the fund balances of governmental funds to the government-wide statement of net assets:

Fund Balances, Governmental Funds	\$ 1,862,892.21
Plus Governmental Capital Assets, Net of Depreciation	77,155.95
Net Assets, Governmental Activities	<u>\$ 1,940,048.16</u>

The following reconciles the net change in fund balances for governmental funds to the changes in net assets of governmental activities:

Net Change in Fund Balances, Governmental Funds	\$ 506,140.74
Plus Capital Outlay	3,599.94
Less Depreciation Expense	<u>(27,714.79)</u>
Change in Net Assets, Governmental Activities	<u>\$ 482,025.89</u>

2. Stewardship, Compliance, and Accountability

Budget Information

The assessor uses the following budget practices:

1. The assessor prepares a General Fund budget, on the modified accrual basis of accounting, at the beginning of each year based upon prior year expenditures and anticipated revenues for the budget year.
2. The proposed budget is made available for public inspection no later than 15 days prior to the beginning of the year. A public hearing on the budget is advertised in the assessor's official journal (Denham Springs News).
3. All annual appropriations lapse at fiscal year end.
4. Budget amounts included in the accompanying financial statements include the original adopted budgets.
5. Formal budgetary integration (within the accounting system) is not employed as a management control device. During the fiscal year, actual revenues and expenditures are compared to

budgeted revenues and expenditures by the assessor. If actual revenues are falling short of budgeted revenues by 5% or more or if actual expenditures to date plus projected expenditures for the remainder of the year exceed the budgeted expenditures by 5% or more, the original budget is amended by the assessor.

**LIVINGSTON PARISH ASSESSOR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

3. Cash and Cash Equivalents

At December 31, 2004, the Assessor has cash and cash equivalents (book balances) totaling \$ 318,782.76 as follows:

Cash on Hand	\$ 800.00
Demand Deposits	17,749.75
Certificates of Depoist	300,233.01
	<u>\$ 318,782.76</u>

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 market 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.

At December 31, 2004, the Assessor has \$ 339,559.31 in deposits (collected bank balances). These deposits are secured from risk by \$ 237,735.46 of federal deposit insurance and \$1,823.85 of U.S. Government securities. The remaining balance of \$100,000.00 is not collateralized.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 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. Investments

Investments are categorized into these three categories of credit risk:

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

5. Receivables

The receivables of \$13,409 at December 31, 2004 are as follows:

Accrued Interest Tax Receivable	\$ 1,626,410.56
Due from Other Taxing Bodies	10,036.00
Other	472.04
Allowance for Uncollectable	<u>(58,325.70)</u>
	<u>\$ 1,578,592.90</u>

**LIVINGSTON PARISH ASSESSOR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

6. Pension Plan

Plan Description

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

All full time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service, not to exceed 100% 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 Assessors' Retirement System; P. O. Box 1786; Shreveport, LA 71166-1786, or by calling (318) 425-4446.

Funding Policy

Plan members are required by state statute to contribute 8.0% of their annual covered salary and the Livingston Parish Assessor is required to contribute at an actuarially determined rate. Contributions to the System also include one-fourth of 1% of the taxes shown to be collected by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Livingston Parish Assessor are established and may be amended by state statute. As provided by R.S. 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 Livingston Parish Assessor's contributions to the System for the years ending December 31, 2004 and 2003, were \$ 95,514.70 and \$ 76,001.00, respectively, equal to the required contributions for each period.

7. Post Retirement Benefits

The Livingston Parish Assessor provides certain continuing health care and life insurance benefits for its retired employees as provided by Louisiana Revised Statute (LSA-RS) 17:1223. Substantially all of the Assessor's employees become eligible for those benefits if they reach normal retirement age while working for the Assessor's Office. The benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employees, retirees, and the Assessor's Office. The Assessor's Office recognizes the cost of providing these benefits as an expenditure when monthly

**LIVINGSTON PARISH ASSESSOR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

premiums are due. The cost of active employee's benefits totaled \$ 134,672.19 and the cost of retirees benefits totaled \$ 252.10 for the year ended December 31, 2004.

8. Capital Assets

Capital assets and depreciation for governmental activities as of and for the year ended December 31, 2004:

	<u>Balance</u>			<u>Balance</u>
	<u>12/31/03</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/04</u>
Capital Assets Being Depreciated:				
Vehicles	80,241.87			80,241.87
Equipment and Furniture	52,841.43	1,414.94		54,256.37
Computers	20,795.00	2,185.00		22,980.00
Total Capital Assets Being	<u>153,878.30</u>	<u>3,599.94</u>	<u>0.00</u>	<u>157,478.24</u>
Depreciated				
Less Accumulated Depreciation For:				
Vehicles	17,213.70	16,048.37	-	33,262.07
Equipment and Furniture	27,117.42	7,805.59		34,923.01
Computers	8,276.38	3,860.83		12,137.21
Total Accumulated Depreciation	<u>52,607.50</u>	<u>27,714.79</u>	<u>0.00</u>	<u>80,322.29</u>
Capital Assets Being Depreciated, Net	<u>101,270.80</u>	<u>(24,114.85)</u>	<u>0.00</u>	<u>77,155.95</u>
Governmental Activities Capital Assets, Net	<u>\$ 101,270.80</u>	<u>(24,114.85)</u>	<u>0.00</u>	<u>77,155.95</u>

Depreciation expense of \$ 27,714.79 for the fiscal year ended December 31, 2004 was charged to the general fund.

9. On-behalf Payments for Fringe Benefits and Salaries

Certain operating expenditures of the assessor's office are provided by the Livingston Parish Council and are not included in the accompanying financial statements. For the period January 1, 2004 to December 31, 2004, the Parish Council provided office space and utilities for the Assessor's office.

10. Levied Taxes

For the year 2004, the Livingston Parish Assessor levied 8.00 mills, which generated \$1,626,410.56 in property taxes.

11. Short-Term Debt

The Assessor had no short-term debt outstanding at December 31, 2004, and had no short-term debt activity during the year then ended.

**LIVINGSTON PARISH ASSESSOR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

12. Long-Term Obligations

The Assessor's employees have accumulated approximately \$5,250 of compensatory time. This amount has not been recorded on the records of the Assessor.

13. Risk Management

The Assessor is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Assessor purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Assessor's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

14. Contingent Liabilities

At December 31, 2004, the Assessor is not involved in any lawsuits and is not aware of any claims which are not covered by insurance.

Required Supplemental Information (Part II)

Statement of Revenues, Expenditures, and Changes in Fund

Balances

Budget and Actual

General Fund

Livingston Parish Assessor

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 General Fund
 For the Year Ended December 31, 2004

	Budgeted Amounts		Actual Amounts: GAAP Basis	Variance with Final Budget: Favorable (Unfavorable)
	Original	Final		
Revenues				
Ad Valorem	\$ 1,274,000	\$ 1,274,000	\$ 1,631,183	\$ 357,183
Revenue Sharing - State of Louisiana	81,000	81,000	88,493	7,493
Compensation from Taxing Bodies	14,000	14,000	23,974	9,974
Interest Earned	10,000	10,000	10,154	154
Other	1,000	1,000	1,602	602
Total Revenues	<u>1,380,000</u>	<u>1,380,000</u>	<u>1,755,405</u>	<u>374,803</u>
Expenditures				
<i>Current Expenditures:</i>				
Salaries and Wages	932,250	932,250	915,769	16,481
Operating Services	113,500	113,500	126,101	12,601
Material and Supplies	52,000	52,000	55,020	3,020
Professional Services	155,500	155,500	106,833	-48,667
Travel and Education	29,025	29,025	31,116	2,091
<i>Capital Outlay:</i>				
Capital Outlay	66,500	66,500	14,426	-52,074
Total Expenditures	<u>1,348,775</u>	<u>1,348,775</u>	<u>1,249,265</u>	<u>-99,510</u>
Excess Revenues and Other Sources (Expenditures and Other Uses)	31,225	31,225	506,141	
Fund Balance, Beginning of Year	<u>1,356,751</u>	<u>1,356,751</u>	<u>1,356,751</u>	
Fund Balance, End of Year	<u>\$ 1,387,976</u>	<u>\$ 1,387,976</u>	<u>\$ 1,862,893</u>	

**OTHER REPORTS REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

LIVINGSTON PARISH ASSESSOR

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2004

I have audited the financial statements of Livingston Parish Assessor as of and for the year ended December 31, 2004, and have issued our report thereon dated June 3, 2005. 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 Governmental Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2004, resulted in an unqualified opinion.

Section I Summary of Auditor's Results

	YES	NO	N/A
Financial Statements			
Internal control over financial reporting:			
Material weakness(es)		X	
Reportable condition(s)		X	
Noncompliance material to the financial statements		X	
Federal Awards			
Internal control over major programs:			
Material weakness(es) identified			X
Reportable condition(s) identified			X
Type of auditor's report on compliance for major programs			X
Any findings required to be reported by Section 510(a) of Circular A-133			X

Identification of Major Programs:

CFDA Number(s) _____ Name of Federal Program (or Cluster) _____

Not applicable

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 N/A

LIVINGSTON PARISH ASSESSOR

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED

For the Year Ended December 31, 2004

Section II Financial Statement Findings

Current Year Findings

2004-1 Inadequate Collateral on Bank Deposits

Criteria: Louisiana Revised Statutes require that public funds on deposit be fully insured or collateralized at all times.

Condition: The Assessor's Office purchased three certificates of deposit at a local depository totaling \$200,000. The financial institution did not collateralize the amount on deposit in excess of FDIC coverage of \$100,000.

Effect: \$100,000 of public funds were not collateralized at December 31, 2004.

Cause: The bank explained that the accounts were not coded in the bank's data system as public funds and therefore were not collateralized.

Recommendation: The Assessor's Office should take immediate steps to ensure that these deposits are collateralized and responsibility for periodic monitoring should be assigned.

Management's

Response: See Management's Corrective Action Plan which follows.

Prior Year Findings

No findings reported.

Section III Federal Award Findings and Questioned Costs

No findings to report.

LIVINGSTON PARISH ASSESSOR

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

For the Year Ended December 31, 2004

SECTION I- Internal Control and Compliance Material to the Financial Statements:

No findings reported

SECTION II- Internal Control and Compliance Material to the Federal Awards:

No findings reported.

SECTION III- Management Letter:

No findings reported.



JEFFREY G. TAYLOR
LIVINGSTON PARISH ASSESSOR

MANAGEMENT'S CORRECTIVE ACTION PLAN

June 9, 2005

Office of Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

Re: Audit Finding 2004-1

Management is aware of this matter and is in the process of resolving the concerns related to finding 2004-1. Upon inquiry of the bank, we were informed that collateral was not pledged due to an oversight by the bank. As of this date, we have been assured by the bank that collateral has been pledged to cover all deposits in excess of FDIC coverage.

Management will delegate the responsibility for assurance of adequacy of collateral for all financial institutions and management will monitor to assure compliance with this policy.

If you should need further information, please contact me.

Yours very truly,

A handwritten signature in black ink, appearing to read "Jeffrey G. Taylor".

Jeffrey G. Taylor

Livingston Parish Assessor

P. O. Box 307 . LIVINGSTON, LA 70754 . (225) 686-7278 . (225) 686-1817 FAX
