

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Financial Report

Year Ended December 31, 2013

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KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Penny Angelle Scruggins, CPA
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA

Stephen J. Anderson, CPA
Cheryl L. Bartley, CPA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Allen J. LaBry, CPA
Albert R. Leger, CPA, PFS, CSA*
Marshall W. Guidry, CPA
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®
James R. Roy, CPA
Robert J. Metz, CPA
Alan M. Taylor, CPA
Kelly M. Doucet, CPA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Kristin B. Dauzat, CPA
Jane R. Hebert, CPA
W. Jeffrey Lowry, CPA
Brad E. Kolder, CPA, JD
Casey L. Ardoin, CPA
Deidre L. Stock, CPA
Karen V. Fontenot, CPA

* A Professional Accounting Corporation

P.O. Box 250
Breaux Bridge, LA 70517

Phone (337) 332-4020
Fax (337) 332-2867

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

OFFICES

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

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

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

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (986) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

434 East Main Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddil St.
Marksville LA 71351
Phone (318) 253-9252
Fax (318) 253-6681

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

1428 Metro Drive
Alexandria, LA 71301
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRPCPAS.COM

Retired:
Conrad O. Chapman, CPA* 2008

INDEPENDENT AUDITORS' REPORT

The Honorable Lawrence L. Patin
St. Martin Parish Assessor
St. Martinville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the St. Martin Parish Assessor, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the St. Martin Parish Assessor's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal

control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 St. Martin Parish Assessor, as of December 31, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 12 to the financial statements, the St. Martin Parish Assessor adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in 2013. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedule of funding progress on pages 28 through 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Martin Parish Assessor's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information has not been subjected to the auditing procedures applied in the audit on the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2014, on our consideration of the St. Martin Parish Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Martin Parish Assessor's internal control over financial reporting and compliance.

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

Breaux Bridge, Louisiana
April 2, 2014

BASIC FINANCIAL STATEMENTS

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

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Statement of Net Position
December 31, 2013

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and interest-bearing deposits	\$ 2,180,752
Receivables:	
Ad valorem taxes	1,167,846
Allowance for uncollectibles	(110,624)
Accrued interest	2,137
Total current assets	<u>3,240,111</u>
Noncurrent assets:	
Capital assets, net	<u>61,264</u>
Total assets	<u>3,301,375</u>
DEFERRED OUTFLOWS OF RESOURCES	
LIABILITIES	
Current Liabilities:	
Accounts payable	<u>2,028</u>
Total current liabilities	<u>2,028</u>
Noncurrent liabilities:	
OPEB obligation	<u>454,253</u>
Total noncurrent liabilities	<u>454,253</u>
Total liabilities	<u>456,281</u>
DEFERRED INFLOWS OF RESOURCES	
NET POSITION	
Net investment in capital assets	61,264
Unrestricted	2,783,830
Total net position	<u>\$ 2,845,094</u>

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

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Statement of Activities
For the Year Ended December 31, 2013

Expenses:

General government:

Personnel services and related benefits	\$ 793,580
Operating services	36,541
Operations and maintenance	<u>90,800</u>
Total expenses	<u>920,921</u>

Program revenues:

Charges for services	<u>13,454</u>
Net program expense	<u>(907,467)</u>

General revenues:

Property taxes	1,146,800
State revenue sharing	98,015
Interest and investment earnings	3,751
Other	<u>5,509</u>
Total general revenues	<u>1,254,075</u>
Change in net position	346,608
Beginning net position	<u>2,498,486</u>
Ending net position	<u>\$ 2,845,094</u>

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

FUND FINANCIAL STATEMENTS (FFS)

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Balance Sheet - Governmental Fund
December 31, 2013

ASSETS

Cash and interest-bearing deposits	\$ 2,180,752
Receivables:	
Ad valorem taxes	1,167,846
Allowance for uncollectibles	(110,624)
Accrued interest	<u>2,137</u>
 Total assets	 <u>\$ 3,240,111</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 2,028
 Fund balance:	
Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	<u>3,238,083</u>
Total fund balance	<u>3,238,083</u>
 Total liabilities and fund balance	 <u>\$ 3,240,111</u>

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

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2013

Total fund balance for the governmental fund at December 31, 2013	\$3,238,083
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Equipment and vehicles, net of \$442,987 accumulated depreciation	61,264
General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:	
Net OPEB obligation payable	<u>(454,253)</u>
Total net position of governmental activities at December 31, 2013	<u>\$2,845,094</u>

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

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2013

Revenues:

Intergovernmental revenues -	
Ad valorem taxes	\$ 1,146,800
Preparation of tax roll	13,454
State revenue sharing	98,015
Interest	3,751
Other	5,509
Total revenues	<u>1,267,529</u>

Expenditures:

Current -	
Personnel services and related benefits	690,000
Operating services	36,541
Operations and maintenance	61,053
Capital outlay	30,234
Total expenditures	<u>817,828</u>

Excess of revenues over expenditures	449,701
Fund balance, beginning of year	<u>2,788,382</u>
Fund balance, end of year	<u>\$ 3,238,083</u>

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

ST. MARTIN PARISH ASSESSOR
St. Martinville, 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, 2013

Total net change in fund balance for the year ended December 31, 2013 per
Statement of Revenues, Expenditures and Changes in Fund Balance \$ 449,701

The change in net position reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 30,234
Depreciation expense for the year ended December 31, 2013	<u>(29,747)</u> 487
Net increase in OPEB obligation at December 31, 2013	<u>(103,580)</u>
Total change in net position at December 31, 2013 per Statement of Activities	<u>\$ 346,608</u>

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

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

The accompanying financial statements of the St. Martin 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.

Such accounting and reporting procedures also conform 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

For financial reporting purposes, the Assessor includes all funds that are controlled by the Assessor as an independently elected parish official. The activities of the parish government, parish 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 government issue financial statements separate from that of the Parish Assessor.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position 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. 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.

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

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. It is used to account for and report all financial resources not accounted for and reported in another fund. 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.

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 position 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 position (or cost recovery) and

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position. 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 position 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, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

For purposes of the Statement of Net Position, 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

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

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 position. 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	5-7 years
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Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Equity Classifications

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

- a. Net investment in capital assets – 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 and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be 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.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

In the fund statements, governmental fund equity is classified as fund balance. Fund balance of the governmental fund is further classified as follows:

Nonspendable — amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — amounts that can be used only for specific purposes determined by a formal action of the Assessor. The Assessor is the highest level of decision-making authority for the St. Martin Parish Assessor. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Assessor.

Assigned — amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Assessor's policy, only the assessor may assign amounts for specific purposes.

Unassigned — all other spendable amounts.

As of December 31, 2013, fund balances are composed of the following:

	<u>General</u> <u>Fund</u>
Nonspendable:	\$ -
Restricted:	-
Committed:	-
Assigned:	-
Unassigned:	<u>3,238,083</u>
Total fund balances	<u>\$3,238,083</u>

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Assessor considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Assessor considers the amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Assessor has provided otherwise in its commitment or assignment actions.

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 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. Vacation and Sick Leave

Employees of the Assessor's office earn from 5 to 15 days of vacation leave each year (depending on length of service) and 10 days of sick leave each year. Vacation leave remaining at the end of the calendar year is converted into sick leave. Sick leave earned by employees can be accumulated but is not payable upon termination or retirement.

At December 31, 2013, there are no accumulated or vested benefits relating to vacation or sick leave that are required to be accrued or reported.

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

G. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, time deposits, and interest-bearing securities invested with the Louisiana Asset Management Pool (LAMP) which is stated at cost. An investment in the amount of \$406,842 at December 31, 2013 is deposited in LAMP, a local government investment pool. In accordance with GASB Codification Section I50.165, the investment in LAMP is not categorized into the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and state wide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

(2) 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 certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2013, the Assessor has cash and interest-bearing deposits (book balances) totaling as follows:

Demand deposits	\$ 934,537
Time deposits	<u>1,246,215</u>
Total	<u>\$ 2,180,752</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Assessor's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. 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 pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

times equal the amount on deposit within the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2013 are secured as follows:

Bank balances	<u>\$ 2,187,638</u>
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At December 31, 2013 the deposits are secured as follows:

Federal deposit insurance	962,108
Uninsured and collateral held by pledging bank	
not in Assessor's name	<u>1,225,530</u>
Total	<u>\$ 2,187,638</u>

As of December 31, 2013, the Assessor's total bank balances were insured and/or collateralized with the pledged securities held by the custodial bank in the name of the pledging financial institution for the Assessor and, therefore, they were not exposed to custodial credit risk.

The Assessor had only one investment on which GASB Statement No. 31 applied. This investment was an investment in LAMP. GASB Statement No. 31 requires that investments, that fall within the definitions of said statement, be recorded at fair value. However, Statement No. 31 also states that investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7. LAMP is also regulated by the Treasury of the State of Louisiana and fair value of the position in the pool is the same as the value of pool shares.

At December 31, 2013 the Assessor's investment, at cost, is \$406,842. The amortized cost of this investment at December 31, 2013 is \$406,890. Because cost approximates amortized cost, the carrying value was not adjusted.

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

(3) Capital Assets

Capital asset balances and activity for the year ended December 31, 2013 are as follows:

	Balance 01/01/13	Additions	Deletions	Balance 12/31/13
Maps	\$ 291,000	\$ -	\$ -	\$ 291,000
Office equipment	14,524	-	-	14,524
Computer equipment	128,037	5,539	-	133,576
Vehicles	<u>67,830</u>	<u>24,695</u>	<u>(27,374)</u>	<u>65,151</u>
Totals	501,391	30,234	(27,374)	504,251
Less: Accumulated depreciation	<u>(440,614)</u>	<u>(29,747)</u>	<u>27,374</u>	<u>(442,987)</u>
Net capital assets	<u>\$ 60,777</u>	<u>\$ 487</u>	<u>\$ -</u>	<u>\$ 61,264</u>

Depreciation expense of \$29,747 was charged to the general government function.

(4) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the current fiscal year, taxes were levied in June and billed to the taxpayers by the St. Martin Parish Sheriff in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. An allowance is established for delinquent taxes to the extent that collection has not occurred in the two months following the close of the calendar year.

The taxes are based on assessed values determined by the St. Martin Parish Tax Assessor and are collected by the Sheriff. The taxes are remitted to the Tax Assessor net of deductions for pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended December 31, 2013, special assessment district taxes were levied at the rate of 3.56 mills on property with assessed valuations totaling \$317,846,497.

Total special assessment district taxes levied during 2013 were \$1,131,533. Taxes receivable at December 31, 2013, was \$1,167,846 and the allowance for uncollectible receivables was \$110,624.

(5) Pension Plan

Plan Description: The St. Martin Parish Assessor contributes to the Louisiana Assessors' Retirement Fund, a cost-sharing multiple employer defined benefit pension plan administered by a separate board of trustees. Provisions of the plan are set forth in the Louisiana Revised Statutes

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

11:1401 through 11:1483 to provide retirement, disability and survivor benefits for the assessors and their permanent, full-time employees. The Board of Trustees of the Louisiana Assessors' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees, Louisiana Assessors' Retirement Fund, P.O. Box 14699, Baton Rouge, Louisiana, 70898.

Funding Policy: In 2013, plan members were required to contribute 8 percent of their annual covered salary, and the assessor was required to make contributions of 13.5 percent of the salaries. In addition, the System receives one forth of one percent of the taxes shown to be collected on the tax rolls of each parish and revenue sharing funds as appropriated each year by legislature. The employer's net actuarially required contribution for the year ended September 30, 2013 was 10.58 percent of covered payroll. The St. Martin Parish Assessor's contributions to the Retirement System for the years ended December 31, 2013, 2012, and 2011 were \$101,092, \$98,249, and \$95,380, respectively.

(6) Litigation

There is no litigation pending against the Assessor at December 31, 2013.

(7) Risk Management

The Assessor is exposed to risks of loss in the areas of general and auto liability and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current year nor have settlements exceeded coverage for the past three years.

(8) Expenditures of the Assessor Paid by the Parish Government

The Assessor's office is located in the St. Martin Parish Courthouse. The upkeep and maintenance of the courthouse is paid by the St. Martin Parish Government. In addition, the Parish Government also pays some of the Assessor's operating expenditures. These expenditures are not reflected in the accompanying financial statements.

(9) Deferred Compensation Plan

Certain employees of the Assessor participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code (IRC) Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

(10) Operating Leases

The Assessor is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, therefore the results of these agreements are not reflected in property and equipment. The Assessor currently has two operating leases requiring disclosure. One lease is for a color copier and the other one is for a postage machine. The monthly payment on the copier lease is \$307, and the lease expires in August 2015. The monthly payment on the postage machine is \$247, and the lease expires in March 2017.

Lease expense at December 31, 2013 was \$7,211. The following schedule, by years, of future minimum lease payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2013 is as follows:

<u>Year Ending December 31,</u>	<u>Amounts</u>
2014	\$ 6,649
2015	5,728
2016	2,964
2017	741
 Total minimum payments required	 \$ 16,082

(11) Post-Retirement Health Care and Life Insurance Benefits

From an accrual accounting perspective, the cost of postemployment healthcare and life insurance benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended December 31, 2009, the Assessor recognizes the cost of postemployment healthcare in the year when employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Assessor's future cash flows. Because the Assessor is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

Plan Description: In accordance with the Employer Health and Welfare Benefit Plan established in November 1986, the Assessor provides certain continuing health care benefits for its retired employees. The plan is a single-employer defined benefit health care plan administered by the Assessor. The Assessor has the authority to establish and amend the benefit provisions of the plan. The plan does not issue a publicly available financial report.

ST. MARTIN PARISH ASSESSOR
 St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

Funding Policy: The Assessor contributes 100% of the cost of current year premiums for eligible retired employees and their spouses. The Assessor recognizes the cost of providing these benefits (the Assessor's portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Annual OPEB Cost: The Assessor's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Assessor utilizes the level-dollar amortization method to amortize the unfunded actuarial accrued liability.

The following table shows the components of the Assessor's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the assessor's net OPEB obligation:

Annual required contribution	\$ 134,221
Interest on net OPEB obligation	14,027
Adjustment to annual required contribution	<u>(20,279)</u>
Annual OPEB cost (expense)	127,969
Contributions made	<u>(24,389)</u>
Increase in net OPEB obligation	103,580
Net OPEB obligation - beginning of year	<u>350,673</u>
Net OPEB obligation - end of year	<u>\$ 454,253</u>

The Assessor's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2011	\$ 101,212	22.0%	\$ 247,673
12/31/2012	\$ 122,700	16.1%	\$ 350,673
12/31/2013	\$ 127,969	19.1%	\$ 454,253

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

Funded Status and Funding Progress: The funded status of the plan as of December 31, 2013, was as follows:

Actuarial accrued liability (AAL)	\$ 1,145,174
Actuarial valuation of plan assets	<hr/>
Unfunded actuarial accrued liability (UAAL)	<hr/> <u>\$ 1,145,174</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	452,812
UAAL as a percentage of covered payroll	253%

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the Assessor's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Notes to Basic Financial Statements (continued)

In the January 1, 2012 actuarial valuation, the unit credit actuarial cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. Investment return of 4% per annum, compounded annually.

2. Retirement Rates

Age	Male	Female
46-49	22.0%	22.0%
50-54	44.0%	44.0%
55-57	4.0%	4.0%
58-62	18.0%	18.0%
63+	28.0%	28.0%

3. 100% of employees who elect coverage while in active employment and who are eligible for retiree benefits are assumed to elect continued medical coverage in retirement.
4. 40% of members electing coverage are assumed to also elect coverage for a spouse.
5. The inflation rate is 5.7%.

(12) New Accounting Pronouncement

During the fiscal year ended December 31, 2013, the Assessor adopted Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which provides clarity for reporting deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. Certain items previously reported as assets or liabilities are now reported as deferred outflows of resources or deferred inflows of resources.

(13) Subsequent Events

Management has evaluated subsequent events through April 2, 2014, the date which the financial statements were available to be issued.

**REQUIRED
SUPPLEMENTARY INFORMATION**

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:				
Intergovernmental revenues -				
Ad valorem taxes	\$ 942,170	\$ 1,002,170	\$ 1,146,800	\$ 144,630
Preparation of tax roll	7,000	7,000	13,454	6,454
State revenue sharing	98,400	98,400	98,015	(385)
Interest	2,500	4,500	3,751	(749)
Other	500	5,000	5,509	509
Total revenues	1,050,570	1,117,070	1,267,529	150,459
Expenditures:				
Current -				
Personnel services and related benefits	689,044	693,172	690,000	3,172
Operating services	59,200	40,700	36,541	4,159
Operations and maintenance	82,700	65,020	61,053	3,967
Capital outlay	50,000	31,500	30,234	1,266
Total expenditures	880,944	830,392	817,828	12,564
Excess of revenues over expenditures	169,626	286,678	449,701	163,023
Fund balance, beginning of year	2,788,382	2,788,382	2,788,382	-
Fund balance, end of year	\$ 2,958,008	\$ 3,075,060	\$ 3,238,083	\$ 163,023

ST. MARTIN PARISH ASSESSOR
 St. Martinville, Louisiana

Schedule of Funding Progress
 For the Year Ended December 31, 2013

Actuarial Valuation Date	Actuarial Value of Assets	Unfunded			Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
		Actuarial Accrued Liabilities (AAL)	Actuarial Accrued Liabilities (UAAL)				
January 1, 2009	-	\$ 963,908	\$ 963,908		0%	\$ 370,328	260%
January 1, 2012	-	1,145,174	1,145,174		0%	430,770	266%

OTHER SUPPLEMENTARY INFORMATION

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Statement of Expenditures Compared to Budget (GAAP Basis) -
General Fund
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Current:				
Personnel services and related benefits -				
Salaries:				
Assessor	\$ 123,360	\$ 128,295	\$ 128,295	\$ -
Deputies	311,688	311,688	311,688	-
Other	4,000	4,000	3,690	310
Allowance	15,336	15,329	14,417	912
Group insurance	89,460	94,960	95,605	(645)
Pension	103,600	103,600	101,092	2,508
Payroll tax	4,100	4,100	4,243	(143)
Workman's compensation insurance	3,000	1,200	1,170	30
Deferred compensation	34,500	30,000	29,800	200
 Total personnel services and related benefits	 689,044	 693,172	 690,000	 3,172
 Operating services:				
Professional fees	59,200	40,700	36,541	4,159
 Operations and maintenance:				
Office supplies and expense	26,000	19,000	17,401	1,599
Telephone	7,500	6,800	6,621	179
Postage	5,000	5,000	4,028	972
Dues & subscriptions	4,000	4,000	4,094	(94)
Training - school and tuition	7,000	3,500	3,947	(447)
Equipment maintenance	5,000	2,000	1,711	289
Uniforms	500	20	12	8
Automobile supplies and maintenance	27,700	24,700	23,239	1,461
 Total materials and supplies	 82,700	 65,020	 61,053	 3,967
 Capital outlay:				
Equipment	15,000	6,500	5,539	961
Vehicles	35,000	25,000	24,695	305
 Total capital outlay	 50,000	 31,500	 30,234	 1,266
 Total expenditures	 \$ 880,944	 \$ 830,392	 \$ 817,828	 \$ 12,564

**INTERNAL CONTROL,
COMPLIANCE, AND
OTHER MATTERS**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
 Russell F. Champagne, CPA*
 Victor R. Slaven, CPA*
 Gerald A. Thibodeaux, Jr., CPA*
 Robert S. Carter, CPA*
 Arthur R. Mixon, CPA*
 Penny Angelle Scruggins, CPA
 Christine C. Doucet, CPA
 Wanda F. Arcement, CPA, CVA

Stephen J. Anderson, CPA
 Cheryl L. Bartley, CPA
 Bryan K. Joubert, CPA
 Matthew E. Margaglio, CPA
 Allen J. LaBry, CPA
 Albert R. Leger, CPA, PFS, CSA*
 Marshall W. Guidry, CPA
 Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®*
 James R. Roy, CPA
 Robert J. Metz, CPA
 Alan M. Taylor, CPA
 Kelly M. Doucet, CPA
 Mandy B. Self, CPA
 Paul L. Delcambre, Jr., CPA
 Kristin B. Dauzat, CPA
 Jane R. Hebert, CPA
 W. Jeffrey Lowry, CPA
 Brad E. Kolder, CPA, JD
 Casey L. Ardoin, CPA
 Deidre L. Stock, CPA
 Karen V. Fontenot, CPA

*A Professional Accounting Corporation

P.O. Box 250
 Breaux Bridge, LA 70517

Phone (337) 332-4020
 Fax (337) 332-2867

183 South Beadle Rd. Lafayette, LA 70508 Phone (337) 232-4141 Fax (337) 232-8660	450 East Main Street New Iberia, LA 70560 Phone (337) 367-9204 Fax (337) 367-9208
113 East Bridge St. Breaux Bridge, LA 70517 Phone (337) 332-4020 Fax (337) 332-2867	200 South Main Street Abbeville, LA 70510 Phone (337) 893-7944 Fax (337) 893-7946
1234 David Dr. Ste 203 Morgan City, LA 70380 Phone (985) 384-2020 Fax (985) 384-3020	1013 Main Street Franklin, LA 70538 Phone (337) 828-0272 Fax (337) 828-0290
434 East Main Street Ville Platte, LA 70586 Phone (337) 383-2792 Fax (337) 363-3049	133 East Waddil St. Marksville, LA 71351 Phone (318) 253-9252 Fax (318) 253-8683
332 West Sixth Avenue Oberlin, LA 70655 Phone (337) 639-4737 Fax (337) 639-4568	1428 Metro Drive Alexandria, LA 71301 Phone (318) 442-4421 Fax (318) 442-9833

WEB SITE
WWW.KCSRCPAS.COM

Retired:
 Conrad O. Chapman, CPA* 2008

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Lawrence L. Patin
 St. Martin Parish Assessor
 St. Martinville, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities and the major fund of the St. Martin Parish Assessor, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the St. Martin Parish Assessor's basic financial statements and have issued our report thereon dated April 2, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the St. Martin Parish Assessor's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Martin Parish Assessor's internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Martin Parish Assessor's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of prior and current audit findings and management's corrective action plan, we identified deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of prior and current audit findings as items 13-1 and 13-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Martin Parish Assessor's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

St. Martin Parish Assessor's Response to Findings

The St. Martin Parish Assessor's response to the findings identified in our audit is described in the accompanying schedule of prior and current audit findings and management's corrective action plan. The Assessor's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

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

Breaux Bridge, Louisiana
April 2, 2014

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan
Year Ended December 31, 2013

I. Prior Year Findings:

Internal Control Over Financial Reporting

12-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Assessor did not have adequate segregation of functions within the accounting system.

Status: Unresolved. See item 13-1.

12-2 Inadequate Controls over Financial Statement Preparation

Finding:

The Assessor's office does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Status: Unresolved. See item 13-2.

Compliance

There were no findings that were required to be reported under the above.

Management Letter Items

There were no management letter items at December 31, 2012.

(continued)

ST. MARTIN PARISH ASSESSOR
St. Martinville, Louisiana

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan (Continued)
Year Ended December 31, 2013

II. Current Year Findings and Management's Corrective Action Plan:

Internal Control Over Financial Reporting

13-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Assessor did not have adequate segregation of functions within the accounting system.

Management's Corrective Action Plan:

Mr. Lawrence L. Patin, Assessor, has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

13-2 Inadequate Controls over Financial Statement Preparation

Finding:

The Assessor's office does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Management's Corrective Action Plan:

Mr. Lawrence L. Patin, Assessor, has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Compliance

There are no findings that are required to be reported under the above.

Management Letter Items

There are no management letter items at December 31, 2013.