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**JEFFERSON DAVIS PARISH ASSESSOR**  
**Jennings, Louisiana**  
**Annual Financial Statements**  
**As of and for the Year Ended December 31, 2004**

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 7-6-05

**JEFFERSON DAVIS PARISH ASSESSOR**  
 Jennings, Louisiana  
 Annual Financial Statements  
 As of and for the Year Ended December 31, 2004

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# Mike B. Gillespie, CPA

(A Professional Accounting Corporation)

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Honorable Donald G. Kratzer  
Jefferson Davis Parish Assessor  
Jennings, Louisiana

I have reviewed the accompanying financial statements of the Jefferson Davis Parish Assessor, a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 2004 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Jefferson Davis Parish Assessor.

A review consists principally of inquiries of the Jefferson Davis Parish Assessor's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

As described in Note 10, the Assessor has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, as of December 31, 2004.

The budgetary comparison information on pages 19 to 20, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

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

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated June 20, 2005 on the results of my agreed-upon procedures.

*Mike B. Gillespie, CPA, APAC*

Jennings, Louisiana

June 20, 2005

## **BASIC FINANCIAL STATEMENTS**

**JEFFERSON DAVIS PARISH ASSESSOR**  
**Governmental Funds Balance Sheet / Statement of Net Assets**  
**December 31, 2004**

**Statement A**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 13,085		13,085
Investments	18,004		18,004
Receivables:			
Ad valorem taxes	260,277		260,277
State revenue sharing	6,667		6,667
Other governments	1,218		1,218
Capital assets, net of accumulated depreciation	-	708	708
<b>Total Assets</b>	<u>299,251</u>	<u>708</u>	<u>299,959</u>
<b>LIABILITIES</b>			
Liabilities:			
Accounts payable	801	-	801
Deferred revenues	283,373	-	283,373
<b>Total Liabilities</b>	<u>284,174</u>	<u>-</u>	<u>284,174</u>
<b>FUND BALANCE / NET ASSETS</b>			
Unreserved	15,077	(15,077)	-
<b>Total Fund Balances</b>	<u>15,077</u>	<u>(15,077)</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 299,251</u>		
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt		708	708
Unrestricted		15,077	15,077
<b>Total Net Assets</b>		<u>\$ 15,785</u>	<u>15,785</u>

See accompanying notes and accountant's report.

**JEFFERSON DAVIS PARISH ASSESSOR**  
**Statement of Governmental Fund Revenues, Expenditures, and**  
**Changes in Fund Balances / Statement of Activities**  
**For the Year Ended December 31, 2004**

**Statement B**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES/ EXPENSES</b>			
General governmental-taxation:			
Personal services and related benefits	\$ 269,044	-	269,044
Operating services	13,427	-	13,427
Materials and supplies	2,509	-	2,509
Travel and other charges	5,372	-	5,372
Depreciation expense	-	663	663
Total Expenditures / Expenses	<u>290,352</u>	<u>663</u>	<u>291,015</u>
<b>PROGRAM REVENUES</b>			
Fees, fines and other charges for service	<u>3,345</u>	-	<u>3,345</u>
Net Program Expenses	<u>287,007</u>	<u>663</u>	<u>287,670</u>
<b>GENERAL REVENUES</b>			
Ad valorem taxes	269,068	-	269,068
Intergovernmental revenues:			
Compensation from taxing bodies	11,414	-	11,414
State revenue sharing	10,000	-	10,000
Interest earned	1,864	-	1,864
Total General Revenues	<u>292,346</u>	<u>-</u>	<u>292,346</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	5,339	(663)	4,676
<b>FUND BALANCE / NET ASSETS:</b>			
Beginning of the Year -as reported	257,184	1,371	258,555
Prior period adjustment	(247,446)	-	(247,446)
End of the Year	<u>\$ 15,077</u>	<u>708</u>	<u>15,785</u>

See accompanying notes and accountant's report.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**



**JEFFERSON DAVIS PARISH ASSESSOR**  
Jennings, Louisiana

Notes to the Basic Financial Statements  
As of and for the Year Ended 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 movable property in the parish, subject to ad valorem taxation. The assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and 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 Jefferson Davis Parish Courthouse in Jennings, Louisiana. The assessor employs six employees, including five deputies. In accordance with Louisiana law, the assessor bases real and movable property assessments on conditions existing on January 1<sup>st</sup> 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.

At December 31, 2004, there are 24,827 real property, and movable property, and public service property assessments totaling \$41,538,280 and \$37,374,770 and \$35,732,850 total value, respectively. This represents a increase of assessments totaling \$3,174,458 from the prior year, caused primarily by the reassessment of properties throughout the parish.

**1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying basic financial statements of the Jefferson Davis Parish Assessor have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

**B. REPORTING ENTITY**

The assessor is an independently elected official; however, the assessor is fiscally dependent on the Jefferson Davis Parish Police Jury. The police jury maintains and operates the parish courthouse in which the assessor's office is located and provides funds for equipment and furniture of the assessor's office. In addition, the police jury's general purpose financial statements would be incomplete or misleading without inclusion of the assessor. For these

**JEFFERSON DAVIS PARISH ASSESSOR**  
Jennings, Louisiana

Notes to the Basic Financial Statements  
As of and for the Year Ended December 31, 2004

reasons, the assessor was determined to be a component unit of the Jefferson Davis Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the assessor and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that compromise the financial reporting entity.

**C. FUND ACCOUNTING**

The assessor uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain tax assessment functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**Governmental Funds**

Governmental funds account for all of the assessor's general activities. These funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the assessor. The following are the assessor's governmental funds:

**General Fund** – the primary operating fund of the assessor and it accounts for all financial resources except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the assessor's policy.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Fund Financial Statement (FFS)**

The amounts reflected in the General Fund of Statements A and B are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the assessor's operations.

**JEFFERSON DAVIS PARISH ASSESSOR**  
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Notes to the Basic Financial Statements  
As of and for the Year Ended December 31, 2004

The amounts reflected in the General Fund of Statements A and B use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The assessor considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practiced in recording revenues and expenditures:

**Revenues**

Governmental fund revenues resulting from exchange transactions are recognized in the year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or is expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the Assessor considers revenues to be available if they are collected within 60 days of the end of the current year. Ad valorem taxes and the related state revenue sharing are recognized as revenue in the period for which levied, thus the 2004 property taxes which are being levied to finance the 2005 budget will be recognized as revenue in 2005. The 2004 tax levy has been recorded as deferred revenue in the Assessor's 2004 financial statements. Charges for services are recorded when earned since they are measurable and available.

**Expenditures**

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

**Deferred Revenues**

Deferred revenues relate primarily to property taxes and related state revenue sharing assessed in 2004, but levied to finance the Assessor's 2005 expenditures.

**Government-Wide Financial Statements (GWFS)**

The column labeled Statement of Net Assets (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Assessor as a whole. These statements include all the financial activities of the Assessor. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of

**JEFFERSON DAVIS PARISH ASSESSOR**  
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Notes to the Basic Financial Statements  
As of and for the Year Ended December 31, 2004

accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GAS Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

**Program Revenues** – Program revenues included in the column labeled Statements of Activities (Statement B) are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the assessor’s general revenues.

**Reconciliation**

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and Statement of Net Assets (Statement A) are as follows:

**Reconciliation of Total Governmental Fund Balance to Net Asset of Governmental Activities:**

Total Ending Fund Balance – Governmental Fund	\$	15,077
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Amounts reported for government activities in the statement of net assets are different because:

Capital assets used in governmental activities are note financial resources and therefore are not reported as assets in governmental funds as follows:

Cost of capital assets	\$	1,371	
Accumulated depreciation		(663)	708
Net Assets	\$	15,785	

**JEFFERSON DAVIS PARISH ASSESSOR**  
Jennings, Louisiana

Notes to the Basic Financial Statements  
As of and for the Year Ended December 31, 2004

**Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities:**

Total Net Change in Fund Balance – Governmental Funds	\$ 5,339
Amounts reported for governmental activities in the statement of activities are 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 as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period:	
Depreciation expense	(663)
Change in Net Assets of Governmental Activities	\$ <u>4,676</u>

**E. DEPOSITS AND INVESTMENTS**

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

State statutes authorize the Jefferson Davis Parish Assessor to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. In accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Jefferson Davis Parish Assessor has stated their investments at cost. Investments with a maturity at time of purchase of greater than one year are presented at fair value. Fair value is determined by obtaining "quoted" year end market prices. The Jefferson Davis Parish Assessor had no investments with an original maturity greater than one year at time of purchase and thus no amounts at fair value are listed in the balance sheet.

**JEFFERSON DAVIS PARISH ASSESSOR**  
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Notes to the Basic Financial Statements  
As of and for the Year Ended December 31, 2004

**F. CAPITAL ASSETS**

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.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Description</u>	<u>Estimated Lives</u>
Telephone System	10
Office Equipment and furniture	5

**G. COMPENSATED ABSENCES**

The Assessor has the following policy relating to vacation and sick leave:

Full time employees accrue two weeks of vacation leave per year. After twenty years of service employees accrue three weeks of vacation. After twenty-five years of service, employees accrue four weeks of vacation. Vacation leave must be used in the year it is accrued, unless approval is obtained prior to the end of the year to carry over unused leave. Employees are not paid for unused vacation leave. At December 31, 2004, employees of the assessor had accumulated no employee leave benefits.

Employees are allowed sick leave when ill. While sick leave is not limited, the assessor reserves the right to substantiate the illness or require the employee to substantiate the illness. Employees are not allowed to accumulate sick leave.

**H. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported

**JEFFERSON DAVIS PARISH ASSESSOR**  
Jennings, Louisiana

Notes to the Basic Financial Statements  
As of and for the Year Ended December 31, 2004

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

**2. LEVIED TAXES**

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Assessment District 2004	2.51	2.51

Property taxes are assessed for the calendar year, become due on November 15<sup>th</sup> of each year, and become delinquent on December 31<sup>st</sup>. The taxes generally collected in December of the current year and January and February of the ensuing year. As indicated in Note 1, taxes levied November 2004 and the related state revenue sharing are for budgeted expenditures in 2005 and will be recognized as revenue in 2005.

Taxes receivable at December 31, 2004, were \$260,277, net of allowance for uncollectible taxes of \$14,388.

There were no principal taxpayers whose percentage of total assessed valuations was 5% and greater.

**3. DEPOSITS AND INVESTMENTS**

At December 31, 2004, the assessor has cash and cash equivalents (book balances) totaling \$13,085 as follows:

Demand deposits	\$ 13,085
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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 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 \$13,085 in deposits (collected bank balances). These deposits are secured from risk by \$13,085 of federal deposit insurance and \$ 0 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

**JEFFERSON DAVIS PARISH ASSESSOR**  
Jennings, Louisiana

Notes to the Basic Financial Statements  
As of and for the Year Ended December 31, 2004

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 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.

**Investments**

The Jefferson Davis Parish Assessor participates in the Louisiana Asset Management Pool, Inc. (LAMP), which is an external local government investment pool. In accordance with GASB Statement 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, the investment in LAMP at year end is not categorized in the three risk categories provided by this statement because the investment is in the pool of funds and therefore 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, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. 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.

The fair value of the position in the pool is the same as the value of the pool shares.

Investments are categorized into the following three categories of credit risk in accordance with GASB 3 to give an indication of the level of risk assumed by the Jefferson Davis Parish Assessor.

Category 1 – includes investments that are insured or registered, or securities held by the government or its agent in the Assessor's name.

Category 2 – includes investments that are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Assessor's name.

Category 3 – includes investments that are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Assessor's name.



**JEFFERSON DAVIS PARISH ASSESSOR**  
Jennings, Louisiana

Notes to the Basic Financial Statements  
As of and for the Year Ended December 31, 2004

At year end the Jefferson Davis Parish Assessor's investment balances were as follows:

Investment Type	Carrying Amount	Fair Value
Investments not subject to categorization:		
Louisiana Assets Management Pool	\$ 18,004	\$ 18,004
Total Investments	\$ 18,004	\$ 18,004

**4. CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	Balance Beginning	Additions	Dispositions	Balance Ending
Office Equipment & furniture	\$ 41,855	-	-	41,855
Total	41,855	-	-	41,855
Less: accumulated depreciation	40,484	663	-	41,147
Capital assets, net	\$ 1,371	663	-	708

**5. PENSION PLAN**

*Plan Description.* Substantially all employees of the Jefferson Davis 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.

# JEFFERSON DAVIS PARISH ASSESSOR

Jennings, Louisiana

## Notes to the Basic Financial Statements As of and for the Year Ended December 31, 2004

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, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318) 425-4446.

*Funding Policy.* Plan members are required by state statute to contribute 7.0% of their annual covered salary and the Jefferson Davis Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 12.46% of annual covered payroll. Contributions to the system also include one-fourth of 1% (1% for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Jefferson Davis 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 Jefferson Davis Parish Assessor's contributions to the System for the years ending December 31, 2004, 2003, and 2002, were \$24,503, \$24,194, and \$19,698 respectively, equal to the required contributions for each year.

### **6. EXPENDITURES PAID BY POLICE JURY**

Certain operating expenditures of the assessor's office are paid by the parish police jury and are not included in the accompanying financial statements. These expenditures are summarized as follows:

The assessor's office is located in the Jefferson Davis Parish Courthouse. The Jefferson Davis Police Jury pays for the upkeep and maintenance of the parish courthouse. These expenditures are not reflected in the accompanying financial statements.

### **7. LITIGATION AND CLAIMS**

At December 31, 2004, the assessor is not involved in any litigation and is not aware of any pending claims.

### **9. RISK MANAGEMENT**

The Assessor is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Assessor carries commercial insurance for workers compensation liability. All other covered risks of loss are managed by commercial insurance provided by the Police Jury. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**JEFFERSON DAVIS PARISH ASSESSOR**  
Jennings, Louisiana

Notes to the Basic Financial Statements  
As of and for the Year Ended December 31, 2004

**10. CHANGES IN ACCOUNTING PRINCIPLES**

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statement – and Management’s Discussion and Analysis – for State and Local Governments*. For the first time the financial statements include Government-wide financial statements prepared using full accrual accounting for all of the Assessor’s activities.

**11. PRIOR PERIOD ADJUSTMENTS**

The financial statements have been adjusted to reflect a change in the manner in which property taxes and the related state revenue sharing revenues are recorded. Beginning in 2004, as discussed in Note 1, the Assessor recognizes these revenues in the period they were levied to finance budgeted expenditures. As a result of this change, the following balance has been recorded as an adjustment to beginning net assets and fund balance:

2003 assessed revenues levied to finance 2004 budgeted expenditures:	
Property tax revenues	\$ 244,113
State revenue sharing	<u>3,333</u>
Net adjustment to beginning net assets	\$ <u>247,446</u>

**REQUIRED SUPPLEMENTAL INFORMATION**

**JEFFERSON DAVIS PARISH ASSESSORIAL  
GOVERNMENTAL FUND - GENERAL FUND  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2004**

**Schedule 1**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees, fines and other charges for service	\$ 4,400	\$ 3,175	\$ 3,345	\$ 170
Ad valorem taxes	274,900	268,940	269,068	128
State revenue sharing	10,000	10,000	10,000	-
Compensation from taxing bodies	6,500	10,200	11,414	1,214
Interest earned	3,000	1,800	1,864	64
Total Revenues	<u>298,800</u>	<u>294,115</u>	<u>295,691</u>	<u>1,576</u>
<b>EXPENDITURES</b>				
Culture and recreation:				
Salaries and related benefits	275,000	269,050	269,044	6
Operating services	17,000	17,000	13,427	3,573
Materials and supplies	2,500	2,450	2,509	(59)
Travel and other charges	3,050	2,700	5,372	(2,672)
Capital outlay		100	-	100
Total Expenditures	<u>297,550</u>	<u>291,300</u>	<u>290,352</u>	<u>948</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	1,250	2,815	5,339	2,524
FUND BALANCES BEGINNING OF YEAR	-	-	257,184	257,184
Prior period adjustment	-	-	(247,446)	(247,446)
FUND BALANCES END OF YEAR	<u>\$ 1,250</u>	<u>\$ 2,815</u>	<u>\$ 15,077</u>	<u>\$ 12,262</u>

See accountant's report on supplementary information.

**JEFFERSON DAVIS PARISH ASSESSOR**  
**Notes to Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2004**

**A. BUDGETARY PRACTICES**

**General Budget Practices** The Jefferson Davis Parish Assessor follows the following procedures in establishing budgetary data reported in the accompanying budgetary comparison schedule:

Pursuant to the Louisiana Government Budget Act (LSA-RS 39:1301-1314), the Jefferson Davis Parish Assessor is required to adopt an annual budget no later than fifteen days prior to the beginning of each fiscal year.

Each year prior to December 15<sup>th</sup>, the Jefferson Davis Parish Assessor develops a proposed annual budget for the general fund. The budget includes proposed expenditures and the means of financing them. The proposed budget is advertised as available for public inspection at least 10 days prior to final adoption simultaneously with a notice of the date of public hearing. The public hearing is conducted during an open meeting in order to obtain public input. The budget is subsequently adopted by the Assessor through a formal budget resolution.

General fund appropriations (unexpended budget balances) lapse at end of fiscal year.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the object level. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments. All budget revisions are approved by the Assessor.

**Budget Basis of Accounting** The governmental fund budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Legally, the Assessor cannot budget total expenditures and other financing uses which would exceed total budgeted revenues and other financing sources including beginning fund balance. State statutes require the Assessor to amend the budget to prevent overall projected revenues, expenditures, or beginning fund balance from causing an adverse budget variance of five percent or more in an individual fund. The Assessor approves budgets at the object level and management is allowed to transfer amounts between line items within an object.

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL MAJOR FUNDS**

The following budgeted major funds had actual expenditures over budgeted expenditures for the fiscal year:

Fund	Final Budget	Actual	Unfavorable Variance
N/A	\$ -	\$ -	\$ -

Reason for unfavorable variance: not applicable.

**OTHER REPORTS**

# Mike B. Gillespie, CPA

(A Professional Accounting Corporation)

414 East Nezpique Street  
PO Box 1347, Jennings, LA 70546  
Phone (337) 824-7773

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Donald G. Kratzer  
Jefferson Davis Parish Assessor  
Jennings, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Jefferson Davis Parish Assessor and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Jefferson Davis Parish Assessor's compliance with certain laws and regulations during the year ended December 31, 2004 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### *Public Bid Law*

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000 and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

**Findings:** There were no expenditures for materials and supplies which exceeded \$20,000. There were no expenditures for public works exceeding \$100,000.

### *Code of Ethics for Public Officials and Public Employees*

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interest of all board members and employees, as well as their immediate families.

**Findings:** Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

**Findings:** Management provided us with the required list.



4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedures (2) as immediate family members.

**Findings:** None of the employees included on the list of employees provided by management appeared on the list provided by management in agreed-upon procedure (2).

### *Budgeting*

5. Obtain a copy of the legally adopted budget and all amendments.

**Findings:** Management provided us with a copy of the original budget.

6. Trace the budget adoption and amendments to the minute book.

**Findings:** I traced the adoption of the 2004 original budget to the Assessor's records which indicated the original budget was adopted on December 15, 2003.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by more than 5%.

**Findings:** I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not vary adversely more than 5% from budgeted amounts.

### *Accounting and Reporting*

8. Randomly select 6 disbursements made during the period under examination:

- a) Trace payments to supporting documentation as to proper amount and payee;

**Findings:** I examined supporting documentation for each of the six selected disbursements and found that the payment was for the proper amount and made to the correct payee.

- b) Determine if payments were properly coded to the correct fund and general ledger account; and

**Findings:** All of the payments examined were properly coded to the correct fund and general ledger account.

- c) Determine whether payments received approval from proper authorities;

**Findings:** Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Assessor.

### *Meetings*

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:2 (the open meetings law).

**Findings:** The assessor is an independently elected official and as such does not hold regularly scheduled open meetings. However, I did examine invoices and payment records for legal notices advertising the following events: a) that the tax rolls were open for public inspection b) that the police jury would serve as the board of review for property tax assessments c) the adoption of the original budget.

### *Debt*

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

**Findings:** I inspected copies of all deposits slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

### *Advances and Bonuses*

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

**Findings:** I inspected payroll records for the year and noted no instances which would indicate payments to employees which constitute bonuses, advances, or gifts.

The prior year report dated June 21, 2004, did not include any comments or unresolved matters.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Jefferson Davis Parish Assessor and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Mike B. Gillespie, CPA, APAC*

Jennings, Louisiana  
June 20, 2005

**JEFFERSON DAVIS PARISH ASSESSOR  
LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

To:

Mike B. Gillespie, CPA, APAC  
PO Box 1347  
Jennings, LA 70546

In connection with your compilation of our financial statements as of December 31, 2004 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of  
Feb 1 2005 (Date)

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [] No [  ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No [  ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No [  ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [] No [  ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No [  ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No [  ]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No [  ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No [  ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No [  ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No [  ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

By:

Jefferson Davis Parish Tax Assessor

 Tax Assessor 2-24-05 Date

\_\_\_\_\_ Date

**JEFFERSON DAVIS PARISH ASSESSOR**  
Jennings, Louisiana

**SCHEDULE OF PRIOR YEAR 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 FEDERAL  
AWARDS**

No findings reported.

**SECTION III – MANAGEMENT LETTER**

No findings reported.

**JEFFERSON DAVIS PARISH ASSESSOR**  
Jennings, Louisiana

**SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS**  
For the Year Ended December 31, 2004

**SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL STATEMENTS**

No findings reported.

**SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

No findings reported.

**SECTION III – MANAGEMENT LETTER**

No findings reported.

**JEFFERSON DAVIS PARISH ASSESSOR**  
Jennings, Louisiana

**MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS**  
For the Year Ended December 31, 2004

**SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL STATEMENTS**

No findings reported.

**SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

No findings reported.

**SECTION III – MANAGEMENT LETTER**

No findings reported.

\* \* \* \* \*

**THIS CORRECTIVE ACTION PLAN HAS BEEN PREPARED BY MANAGEMENT**