

ANNUAL FINANCIAL REPORT
JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2005

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 7-12-06

ERICKSEN KRENTEL & LAPORTE L.L.P.

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INDEPENDENT AUDITORS' REPORT

Honorable Lawrence E. Chehardy
Jefferson Parish Assessor
Gretna, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Jefferson Parish Assessor (the Assessor) as of and for the year ended December 31, 2005, which collectively comprise the Assessor's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Assessor's management. 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, the *Louisiana Governmental Audit Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Jefferson Parish Assessor as of December 31, 2005, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2006, on our consideration of the Jefferson 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* and should be considered in conjunction with this report in considering the results of our audit.

ERICKSEN KRENTEL & LAPORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Jefferson Parish Assessor

April 7, 2006

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The management's discussion and analysis information on pages 3 through 5 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

April 7, 2006


Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION

**JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2005**

This section of the Jefferson Parish Assessor's (the Assessor) annual financial report presents Management's analysis of the Assessor's financial performance for the year ended December 31, 2005. This analysis should be read in conjunction with the audited financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The Assessor's net assets increased by \$96,507, due to increases in investment income and reductions in operating costs.
- The general revenues of the Assessor were \$2,885,829, an increase of \$21,903 over 2004.
- The total expenditures/expenses of the Assessor were \$2,789,322, a decrease of \$14,315 over 2004.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three sections: Management's Discussion and Analysis, audited financial statements and supplementary information. The financial statements also include notes that provide additional detail of the information included in the financial statements.

BASIC FINANCIAL STATEMENTS

The financial statements of the Assessor report information about the Assessor using accounting methods similar to those used by private companies. These financial statements provide financial information about the activities of the Assessor.

The Statement of Net Assets (page 6) presents the current and long-term portions of assets and liabilities separately.

The Statement of Governmental Fund Revenues, Expenditures and Changes in the Fund Balance (page 10) and the Statement of Activities (page 7) presents information on how the Assessor's net assets changed as a result of current period operations.

The following presents condensed financial information of the Assessor:

SUMMARY OF NET ASSETS

<u>ASSETS</u>	<u>December 31, 2005</u>	<u>December 31, 2004</u>
Current assets	\$ 4,595,845	\$ 3,857,886
Capital assets, net of accumulated depreciation	31,348	35,062
Total assets	\$ 4,627,193	\$ 3,892,948

**JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2005**

LIABILITIES

	<u>December 31, 2005</u>	<u>December 31, 2004</u>
Current liabilities	\$ 2,991,014	\$ 2,353,276
Total liabilities	<u>\$ 2,991,014</u>	<u>\$ 2,353,276</u>

NET ASSETS

Invested in capital assets	\$ 31,348	\$ 35,062
Unrestricted	<u>1,604,831</u>	<u>1,504,610</u>
Total net assets	<u>\$ 1,636,179</u>	<u>\$ 1,539,672</u>

**SUMMARY OF REVENUES, EXPENDITURES/EXPENSES
AND CHANGES IN NET ASSETS**

General revenues	\$ 2,885,829	\$ 2,863,926
Expenditures/expenses	<u>(2,789,322)</u>	<u>(2,803,637)</u>
Changes in net assets	<u>\$ 96,507</u>	<u>\$ 60,289</u>

CAPITAL ASSETS

Following is a schedule of capital assets, net of accumulated appreciation:

Office equipment	\$ 31,348	\$ 35,062
Total capital assets, net of accumulated depreciation	<u>\$ 31,348</u>	<u>\$ 35,062</u>

The additions to capital assets during the year consisted of computers and printers.

BUDGET ANALYSIS

A comparison of budget to actual operations is required information and is presented in the accompanying financial statements.

The significant differences between final budgeted amounts and actual budgeted amounts are as follows:

1. Increase in the cost of office expenses resulted for the effects of Hurricane Katrina.
2. An additional mailing was required to inform taxpayers of assessment modifications necessary to reflect changes in property due to the effects of Hurricane Katrina.

**JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2005**

CONTACTING THE ASSESSOR'S MANAGEMENT

This report is designed to provide a general overview of the Assessor and to demonstrate the Assessor's accountability for its finances. If you have any questions about this report or need additional information, please contact Lawrence E. Chehardy, CLA, Assessor, Jefferson Parish, 200 Derbigny Street, Suite 1100, Gretna, LA 70053.

BASIC FINANCIAL STATEMENTS

**JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2005**

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash	\$ 256,927
Investments	1,505,128
Appropriation receivable	2,833,790
Capital assets, net of accumulated depreciation	<u>31,348</u>
Total assets	<u>4,627,193</u>
<u>LIABILITIES:</u>	
Advances payable	2,833,790
Accounts payable	11,902
Accrued payroll	32,936
Accrued annual leave	<u>112,386</u>
Total liabilities	<u>2,991,014</u>
<u>NET ASSETS:</u>	
Invested in capital assets	31,348
Unrestricted	<u>1,604,831</u>
Total net assets	<u>\$ 1,636,179</u>

The accompanying notes are an integral part of this statement

JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

Functions/Programs

Governmental Activities:

Property assessment and tax roll preparation	\$ 2,789,322
Total expenses	<u>2,789,322</u>
Net (expenses) from governmental activities	<u>(2,789,322)</u>

General Revenues:

Intergovernmental revenues	
Compensation from taxing bodies	2,833,790
Other income	9,650
Investment income	<u>42,389</u>
Total general revenues	<u>2,885,829</u>
Change in net assets	96,507
Net assets - beginning	<u>1,539,672</u>
Net assets - ending	<u>\$ 1,636,179</u>

The accompanying notes are an integral part of this statement

**JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUND
DECEMBER 31, 2005**

	<u>General Fund</u>
<u>ASSETS</u>	
Cash	\$ 256,927
Investments	1,505,128
Appropriation receivable	<u>2,833,790</u>
 Total assets	 <u>\$ 4,595,845</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES:</u>	
Advances payable	\$ 2,833,790
Accounts payable	11,902
Accrued payroll	32,936
Accrued annual leave	<u>112,386</u>
 Total liabilities	 <u>2,991,014</u>
<u>FUND BALANCE:</u>	
Unreserved	<u>1,604,831</u>
 Total fund balance	 <u>1,604,831</u>
 Total liabilities and fund balance	 <u>\$ 4,595,845</u>

The accompanying notes are an integral part of this statement

**JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2005**

Fund balance - total governmental fund	\$ 1,604,831
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund	<u>31,348</u>
Net assets of governmental activities	<u>\$ 1,636,179</u>

The accompanying notes are an integral part of this statement

**JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

REVENUES:

Intergovernmental revenues - compensation from taxing bodies	\$ 2,833,790
Other income	9,650
Investment income	<u>42,389</u>
 Total revenues	 <u>2,885,829</u>

EXPENDITURES:

Salaries:	
Assessor	103,790
Deputies and others	1,418,940
Auto expense	9,474
Assessor's expense allowance	10,379
Compensated absences	5,510
Dues and subscriptions	8,256
Data processing supplies	3,805
Data processing program expense	137,073
Employee benefits	395,907
Equipment rental	2,244
Insurance - general	7,204
Insurance - group	347,618
Office expense	145,744
Payroll taxes	14,766
Postage	140,766
Professional fees	8,166
Repairs and maintenance	17,039
Telephone	4,090
Travel and lodging	199
Equipment purchases	<u>4,638</u>
 Total expenditures	 <u>2,785,608</u>
 Net change in fund balance	 100,221
 Fund balance - beginning	 <u>1,504,610</u>
 Fund balance - ending	 <u>\$ 1,604,831</u>

The accompanying notes are an integral part of this statement

**JEFFERSON PARISH ASSESSOR
GRETN, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005**

Net change in fund balance - total governmental fund	\$	100,221
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Amounts reported for governmental activities in the Statement of Activities are different because:

The governmental fund reports 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. This is the amount by which depreciation expense of \$8,352 exceeded capital outlays of \$4,638 in the current period.

Change in net assets of governmental activities	\$	<u>96,507</u>
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The accompanying notes are an integral part of this statement

**JEFFERSON PARISH ASSESSOR
GRETN, LOUISIANA**
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	General Fund			Variance Favorable (Unfavorable)
	Budgeted Amounts		Actual Amounts	
	Original	As Amended		
<u>REVENUES:</u>				
Intergovernmental revenues - compensation from taxing bodies	\$ 2,833,790	\$ 2,833,790	\$ 2,833,790	\$ -
Other income	-	-	9,650	9,650
Investment income	7,162	7,162	42,389	35,227
Total revenues	2,840,952	2,840,952	2,885,829	44,877
<u>EXPENDITURES:</u>				
Salaries:				
Assessor	103,790	103,790	103,790	-
Deputies and others	1,435,000	1,455,000	1,418,940	36,060
Auto expense	7,500	18,000	9,474	8,526
Assessor's expense allowance	10,379	10,379	10,379	-
Compensated absences	-	-	5,510	(5,510)
Dues and subscriptions	6,200	9,600	8,256	1,344
Data processing supplies	2,000	4,500	3,805	695
Data processing program expense	160,500	160,500	137,073	23,427
Employee benefits	461,618	431,600	395,907	35,693
Equipment rental	2,100	3,000	2,244	756
Insurance - general	9,215	11,000	7,204	3,796
Insurance - group	352,900	352,900	347,618	5,282
Office expense	108,015	125,000	145,744	(20,744)
Payroll taxes	13,400	15,000	14,766	234
Postage	160,000	125,000	140,766	(15,766)
Professional fees	16,100	16,100	8,166	7,934
Repairs and maintenance	19,754	24,050	17,039	7,011
Telephone	9,000	9,000	4,090	4,910
Travel and lodging	-	-	199	(199)
Equipment purchases	2,500	5,000	4,638	362
Total expenditures	2,879,971	2,879,419	2,785,608	93,811
Net change in fund balance	(39,019)	(38,467)	100,221	138,688
Fund balance - beginning	1,504,610	1,504,610	1,504,610	-
Fund balance - ending	\$ 1,465,591	\$ 1,466,143	\$ 1,604,831	\$ 138,688

The accompanying notes are an integral part of this statement

**JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005**

(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 all real and movable property in the parish, prepares the tax rolls, and submits the rolls to the Louisiana Tax Commission as prescribed by law.

Reporting Entity

The Jefferson Parish Assessor (Assessor) receives funding from local government sources and must comply with the concomitant requirements of these funding source entities. However, the Assessor is a "primary government" as defined in GASB pronouncements, since the Assessor has the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. The Assessor has no component units.

The accounting and reporting policies of the Assessor conform to generally accepted accounting principles as applicable to governmental units.

Basis of Presentation

The Assessor's financial statements are prepared in conformity with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Assessor are discussed below.

The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

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

The Assessor's basic financial statements include both government-wide (reporting the Assessor as a whole) and fund financial statements (reporting the Assessor's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Assessor's property assessment and tax roll preparation activities and related general administrative services are classified as governmental activities. The Assessor does not have any business-type activities.

**JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In the government-wide Statement of Net Assets (Exhibit A), the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables. The Assessor's net assets are reported in two parts – invested capital assets and unrestricted net assets.

The government-wide Statement of Activities (Exhibit B) reports both gross and net cost of the Assessor's function (property assessment and tax roll preparation). The function is supported by general government revenues (commissions paid directly by the Jefferson Parish Sheriff & The City of Kenner and investment income). The Assessor does not receive related program revenues and operating grants which would reduce gross expenses in the Statement of Activities.

This government-wide focus is on the sustainability of the Assessor as an entity and the change in the Assessor's net assets resulting from current year's activities.

Basic Financial Statements – Fund Financial Statements (FFS)

The financial transactions of the Assessor are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The Assessor's current operations require the use of only the following fund type:

Governmental Fund:

The focus of the governmental fund's measurement (in the fund statement) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. In general, fund balance represents the accumulated expendable resources, which may be used to finance future operations of the Assessor. The following is a description of the governmental fund of the Assessor:

General Fund

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the principal fund of the Assessor and is used to account for the operations of the Assessor's office. Compensation received from the various taxing bodies, prescribed by formula in Louisiana Revised Statutes 47:1907-1908, is accounted for in this fund. General operating expenditures are paid from this fund.

**JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

The governmental activities in the government-wide financial are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

The Assessor's records are maintained on a cash basis of accounting. However, the General Fund reported in the accompanying financial statements has been converted to a modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures.

Revenues

The Assessor's revenue is derived from ad valorem taxes assessed on a calendar year basis. The ad valorem taxes assessed are due on December 31st of the calendar year in which the taxes are assessed and are paid to the Jefferson Parish Sheriff's Office. As required by Louisiana Revised Statute 47:1906, the Assessor earns a percentage of the taxes assessed. In order to fund current year operations, the Assessor is advanced funds on a monthly basis by the Jefferson Parish Council and the Jefferson Parish School Board. In January of the subsequent year, the Jefferson Parish Sheriff's Office remits the amount due to the Assessor. The Assessor then repays the advances to the Council and School Board. As of December 31, 2005, appropriations receivable was \$2,833,790 and the advances payable was \$2,833,790. Interest earned on investments is recorded when earned.

**JEFFERSON PARISH ASSESSOR
GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditures

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

Budgets

Annually, the Assessor adopts a budget for the General Fund on a modified accrual basis of accounting. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. Budgetary integration is used as a management control device.

Once a budget is approved it can be amended. Such amendments are made before the fact, are reflected in the official minutes of the office, and are not made after fiscal year end.

Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Assessor. All budget appropriations lapse at year end.

Cash

The Assessor is authorized under state law to 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, and the laws of the United States. The Assessor may also invest in U.S. Treasury securities and other evidence of indebtedness issued or guaranteed by federal agencies and time certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of such pledged securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent.

At December 31, 2005, the carrying amount of the Assessor's deposits was \$256,927 and the bank balance was \$100,000, all of which was federally insured. Included in cash are repurchase agreements, held in the Assessor's name, in the amount of \$185,574 which matured January 3, 2006.

Investments

The Assessor follows GASB No. 31, which requires investments in debt securities to be recorded at their fair market value which are determined based on quoted market prices.

**JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets purchased or acquired with an original cost of \$500 or more are reported 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. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. In the fund financial statements, fixed assets are accounted for as capital outlay expenditures of the fund upon acquisition.

Capital assets are recorded in the Statement of Net Assets and depreciation is recorded in the Statement of Activities. Since surplus assets are sold for an immaterial amount or scrapped when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Office equipment	7 years
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Compensated Absences

Employees accrue vacation leave at the rate of 13 to 22 $\frac{3}{4}$ days per year, according to the years of service with the Assessor. A maximum of 30 days of vacation leave can be accumulated. Upon termination or retirement, employees can receive payment for a maximum of ten days of unused accumulated vacation leave. Sick leave is accrued at the rate of 16 $\frac{1}{4}$ days per year for all employees. Upon termination or retirement, employees do not receive payment for unused accumulated sick leave. Amounts estimated to be used and those to be paid upon an employee's termination have been recorded as a current liability as it is anticipated that they will be retired with currently expendable assets.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005**

(2) INVESTMENTS

A summary of purchase prices and market values follow:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Cost Basis</u>	<u>Carrying Value/ Market Value</u>	<u>Unrealized Gain (Loss)</u>
U.S. Treasury Bill	01/05/06	-	\$ 387,834	\$ 387,930	\$ 96
U.S. Treasury Bill	02/02/06	-	606,085	606,048	(37)
U.S. Treasury Bill	03/30/06	-	<u>511,509</u>	<u>511,150</u>	<u>(359)</u>
			<u>\$1,505,428</u>	<u>\$1,505,128</u>	<u>\$ (300)</u>

These investments were held by the Assessor's agent in the Assessor's name at December 31, 2005. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Assessor's investment policy limits its investment portfolio to maturities of less than one year.

Investment income for the year ended December 31, 2005 is as follows:

Interest	\$ 2,814
Bond discount amortization	39,847
Change in unrealized loss	<u>(272)</u>
	<u>\$ 42,389</u>

(3) CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2005 was as follows:

	<u>Balance at January 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2005</u>
Office equipment	\$ 616,266	\$ 4,638	\$ -	\$ 620,904
Accumulated depreciation	<u>(581,204)</u>	<u>(8,352)</u>	<u>-</u>	<u>(589,556)</u>
Total capital assets, net	<u>\$ 35,062</u>	<u>\$ (3,714)</u>	<u>\$ -</u>	<u>\$ 31,348</u>

The Assessor's capital assets of \$620,904 represent purchases of fixed assets made by the Assessor from 1977 through 2005. All fixed assets of the Assessor purchased prior to 1977 are included in the capital assets of the Jefferson Parish Council. Depreciation expense for the year ended December 31, 2005 was \$8,352.

**JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005**

(4) PENSION PLAN

Substantially all of the full-time employees of the Assessor participate in the Louisiana Assessor's Retirement Fund, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The payroll for the Assessor's employees covered by the Fund for the year ended December 31, 2005, was \$1,466,946; the Assessor's total payroll was \$1,522,730.

Substantially all full-time Assessor employees are eligible to participate in the Fund. Employees who retire at or after age 55 with 12 years of credited service or at age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life. The retirement benefit is equal to 3% for each year of credited service times the average salary for the highest thirty-six consecutive or joined months. The Fund also provides death and disability benefits. Benefits of the Fund are established or amended by state statute.

Louisiana Revised Statute 11:1481 requires plan members to contribute 8% of their annual covered salary and the Assessor is required to contribute 14.5% through September 30, 2005 and 14% beginning October 1, 2005 into the Fund. For the calendar year 2005, the Assessor elected to pay 100% of the employees' contribution to the Fund. The Assessor's contributions to the Fund for the years ending December 31, 2005, 2004 and 2003 were \$212,365, \$209,559 and \$208,691 respectively, equal to the required contribution for each year.

Contributions to the Fund for the year ended December 31, 2005 were as follows:

	<u>Amount</u>	<u>Percent of Covered Payroll</u>
Assessor	\$ 212,365	14.00%
Employees, paid by Assessor	117,356	8.00%

The "Pension Benefit Obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the Fund's funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers. The Fund does not make separate measurements of assets and pension benefit obligations for individual employers. The "Pension Benefit Obligation" at September 30, 2005 for the Fund as a whole, determined through an actuarial valuation performed as of that date, was \$168,768,687. The Fund's net assets available for benefits on that date (valued at market) were \$146,141,263. The actuarial asset value on that date was \$132,989,725, leaving an unfunded "Pension Benefit Obligation" of \$22,627,424. The Assessor's 2005 contribution represented 3.2% of total contributions required of all participating entities.

**JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005**

(4) PENSION PLAN (CONTINUED)

The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

(5) DEFERRED COMPENSATION PLAN

The Assessor offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the State of Louisiana Public Employees Deferred Compensation Plan. The plan, available to all Assessor employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. During 2005, the Assessor's rate of contribution to the Plan was 6% of gross wages, not to exceed the employee's contribution. The Assessor's total contributions made to the plan were \$66,356 for the year ended December 31, 2005.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for the exclusive benefits of participants and their beneficiaries.

(6) POSTEMPLOYMENT HEALTH CARE BENEFITS

In addition to the pension benefits described in Note 4, the Assessor, along with all assessor's in Louisiana, provides postemployment healthcare benefits to all employees who retire from the Assessor's Office in accordance with criteria listed in Note 4. Currently 14 retirees meet those eligibility requirements.

For those employees who terminate without retirement, healthcare benefits continue for 30 days after termination. At that time the former employee has continuation rights to health insurance coverage under the COBRA law of 1985.

During the fiscal year 2005, retirees' health insurance was provided through the Louisiana Assessor's Insurance Fund. The Assessor paid the insurance premium for the retirees. Any premium costs for dependent coverage was paid by the retiree. Expenditures for postemployment healthcare are recognized as premiums are paid. During the fiscal year 2005, the cost for healthcare benefits for retirees and dependents was \$71,533.

(7) EXPENSES OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS

The accompanying financial statements do not include certain portions of the Assessor's expenses paid directly by the Jefferson Parish Council. These expenses include office space, utilities, office supplies, capital improvements, and major equipment purchases.

JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

(8) COMPENSATION PAID ASSESSOR

The compensation and expense allowance paid the Assessor, Lawrence E. Chehardy, has been prepared in compliance with Louisiana Revised Statutes 47:1907. Under these statutes, the annual salary of the Assessor is fixed at \$103,790 and, in addition, the Assessor is granted ten percent of his annual compensation, or \$10,379 as a personal expense allowance provided that the tax receipts of the tax recipient body are not reduced.

The compensation and expense allowance paid the Assessor are included in the expenditures of the Governmental (Salary) Fund.

(9) CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Assessor to concentrations of credit risk consist principally of temporary cash investments, appropriations receivable, and investments in U.S. Treasuries. The Assessor places temporary cash investments with a federally insured financial institution. Appropriations receivable are from the tax collector. The Assessor does not require collateral to secure such amounts. The Assessor considers all receivables to be fully collectible, therefore, no allowance for doubtful accounts is needed. Investments in U.S. Treasuries at cost totaled \$1,505,428 at December 31, 2005.

(10) RISK MANAGEMENT

The Assessor is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Assessor carries commercial insurance in amounts sufficient to insure itself against claims resulting from any of those risks.

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BENJAMIN J. ERICKSEN - RETIRED
J.V. LECLERE KRENTEL - RETIRED

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*

Honorable Lawrence E. Chehardy
Jefferson Parish Assessor
Gretna, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the Jefferson Parish Assessor (the Assessor), as of and for the year ended December 31, 2005, which collectively comprise the Assessor's basic financial statements, and have issued our report thereon dated April 7, 2006. 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.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Assessor's financial statements are free of 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*.

ERICKSEN KRENTEL & LAPORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Honorable Lawrence E. Chehardy
Jefferson Parish Assessor
April 7, 2006

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

April 7, 2006



Certified Public Accountants

**JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

We have audited the financial statements of the Jefferson Parish Assessor as of and for the year ended December 31, 2005, and have issued our report thereon dated April 7, 2006. 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. Our audit of the financial statements as of December 31, 2005 resulted in an unqualified opinion.

Section I Summary of Auditors' Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ___ Yes X No

Reportable Conditions ___ Yes X No

Compliance

Compliance Material to Financial Statements ___ Yes X No

b. Federal Awards Not Applicable

Internal Control

Material Weaknesses ___ Yes ___ No

Reportable Conditions ___ Yes ___ No

Type of Opinion on Compliance Unqualified ___ Qualified ___
for Major Programs Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)? ___ Yes ___ No

c. Identification of Major Programs: Not Applicable

**JEFFERSON PARISH ASSESSOR
GRETNA, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2005**

Section I Internal Control and Compliance Material to the Financial Statements

No matters were noted.

Section II Internal Control and Compliance Material to Federal Awards

Not Applicable

Section III Management Letter

No management letter was issued.