ST. JAMES PARISH ASSESSOR
Convent, Louisiana

Basic Financial Statements
and Independent Auditor's Report
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 7-19-06
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INDEPENDENT AUDITOR'S REPORT

Honorale Glenn Waguespack
St. James Parish Assessor
Convent, Louisiana

I have audited the accompanying basic financial statements of the St. James Parish 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 basic financial statements are the responsibility of the St. James Parish Assessor. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the St. James Parish Assessor as of December 31, 2005, and the results of operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.
In accordance with Government Auditing Standards, I have also issued a report dated May 22, 2006, on my consideration of the St. James Parish Assessor's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

The management's discussion and analysis and budgetary comparison information as listed in the table of contents 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. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information, and express no opinion on it.

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

Keith J. Rovira
Certified Public Accountant

May 22, 2006
MANAGEMENT'S DISCUSSION AND ANALYSIS
The Management’s Discussion and Analysis (MD&A) of the St. James Parish Assessor’s financial performance presents a narrative overview and analysis of the assessor’s financial activities for the year ended December 31, 2005. This document focuses on the current year’s activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the basic financial statements. The MD&A is an element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34, "Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments" issued June, 1999. Certain comparative information between the current year and prior year has been presented in the MD&A.

FINANCIAL HIGHLIGHTS

The minimum requirements for financial reporting on the St. James Parish Assessor's office that was established by GASB No. 34 are divided into the following sections:

(a) Management’s Discussion and Analysis
(b) Basic Financial Statements
(c) Required Supplementary Information (other than MD&A)

Basic Financial Statements:

The basic financial statements present information for the assessor as a whole, in a format designed to make the statements easier for the reader to understand. The financial statements in this section are divided into the two following types:

(1) Government-Wide Financial Statements, which include a Statement of Net Assets and a Statement of Activities. These statements present financial information for all activities of the assessor from an economic resources measurement focus using the accrual basis of accounting and providing both short-term and long-term information about the assessor's overall financial status.
(2) Fund Financial Statements, which include a Balance Sheet and a Statement of Revenues, Expenses, and Changes in Fund Balance for the General Fund (a governmental fund). These financial statements present information on the individual fund of the assessor allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements is dependent on the fund type. The assessor’s only governmental fund is the General Fund. The statements in this section represent the short-term financing of general government.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of December 31, 2005 and 2004

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>$1,010,620</td>
<td>$664,980</td>
</tr>
<tr>
<td>Capital assets</td>
<td>$18,965</td>
<td>$29,297</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$1,029,585</td>
<td>$694,277</td>
</tr>
<tr>
<td>Liabilities</td>
<td>$171,111</td>
<td>$8,259</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$171,111</td>
<td>$8,259</td>
</tr>
<tr>
<td>Net Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>$18,965</td>
<td>$29,297</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$839,509</td>
<td>$686,721</td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>$858,474</td>
<td>$686,018</td>
</tr>
</tbody>
</table>

The assessor does not have any "restricted" net assets. It does have "unrestricted" net assets, and those are net assets that do not have any limitations on what these amounts may be used for.

Total net assets increased by $172,456, or 25.1%, due primarily to an increase in the assessor's ad valorem tax revenue as a result of a 1-mill increase approved by the voters of St. James parish.
Statement of Revenues, Expenditures and Changes in Fund Balance
For the years ended December 31, 2005 and 2004

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$667,738</td>
<td>$388,203</td>
</tr>
<tr>
<td>Expenditures</td>
<td>482,476</td>
<td>445,247</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>$185,262</td>
<td>$(57,044)</td>
</tr>
</tbody>
</table>

Total revenues increased by $279,535, or 72%, due primarily to an increase in the assessor’s ad valorem tax revenue as a result of a 1-mill increase approved by the voters of St. James parish.

CAPITAL ASSET AND DEBT ADMINISTRATION

At December 31, 2005, the assessor had $92,918 invested in capital assets, including office furniture and equipment and one auto. This amount represents the total original cost of the capital assets (before deducting accumulated depreciation). The table below lists capital assets by type, net of accumulated depreciation:

<table>
<thead>
<tr>
<th>Capital Assets</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office furniture and equipment</td>
<td>$ 9,661</td>
<td>$15,341</td>
</tr>
<tr>
<td>Auto</td>
<td>9,304</td>
<td>13,956</td>
</tr>
<tr>
<td>Total</td>
<td>$18,965</td>
<td>$29,297</td>
</tr>
</tbody>
</table>

Debt Administration:
The assessor had no debt outstanding at year end.
ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The assessor considered the following factors and indicators when setting up next year's (2006) budget. These factors and indicators include: (1) revenues to be received from the collection of increased ad valorem taxes and state revenue sharing; (2) additional salaries and related costs due to an increase in health care and other salary related benefits and costs; (3) other operating costs of the office in the process of providing services to the public. The assessor expects that next year's revenues plus existing available net assets carried forward from the previous year will be sufficient to cover expenses.

CONTACTING THE ASSESSOR

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the assessor's finances, and to show the assessor's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Mr. Glenn Waguespack, Assessor, St. James Parish, P. O. Box 55, Convent, Louisiana 70723, or call the office at 225-562-2251.
BASIC FINANCIAL STATEMENTS

(GOVERNMENT-WIDE FINANCIAL STATEMENTS)
## Statement of Net Assets

As of December 31, 2005

### ASSETS

**Current Assets:**
- Cash and cash equivalents (Note C) $391,750
- Revenues receivable:
  - Ad valorem taxes 569,333
  - State revenue sharing 13,592
  - Payments in lieu of taxes 25,567
  - Other 10,378

  **Total Current Assets** 1,010,620

**Noncurrent Assets**
- Capital assets, net of depreciation (Note D) 18,965

  **Total Noncurrent Assets** 18,965

**TOTAL ASSETS** 1,029,585

### LIABILITIES

**Current Liabilities:**
- Accounts payable 9,586
- Deferred ad valorem tax revenue (Note B) 161,525

  **TOTAL LIABILITIES** 171,111

### NET ASSETS

- Invested in capital assets, net of related debt 18,965
- Unrestricted 839,509

  **TOTAL NET ASSETS** $858,474

The accompanying notes are an integral part of this statement.
ST. JAMES PARISH ASSESSOR
Convent, Louisiana
Statement of Activities
For the Year Ended December 31, 2005

EXPENSES
Governmental Activities:
Salaries and related benefits $397,817
General office expenses 44,113
Education seminars, conventions & dues 2,936
Travel and automotive 12,678
Professional and legal fees 24,932
Depreciation expense 12,806

Total Expenses 495,282

GENERAL REVENUES
Ad valorem taxes 579,055
State revenue sharing 20,274
Payments in lieu of taxes 28,922
Interest earnings 5,026
Other 34,461

Total General Revenues 667,738

Change in Net Assets 172,456
Net assets at beginning of year 686,018
Net assets at end of year $858,474

The accompanying notes are an integral part of this statement.
BASIC FINANCIAL STATEMENTS

(FUND FINANCIAL STATEMENTS)
ST. JAMES PARISH ASSESSOR
Convent, Louisiana
Balance Sheet
General Fund - Governmental Fund
December 31, 2005

ASSETS
Cash and cash equivalents $ 391,750
Revenues receivable:
   Ad valorem taxes 569,333
   State revenue sharing 13,592
   Payments in lieu of taxes 25,567
   Payments in lieu of taxes 10,378

TOTAL ASSETS $1,010,620

LIABILITIES AND FUND BALANCE
Liabilities:
   Accounts payable $ 9,586
   Deferred ad valorem tax revenue (Note B) 161,525

   Total Liabilities 171,111

Fund balance:
   Unreserved-undesignated 839,509

TOTAL LIABILITIES & FUND BALANCE $1,010,620

The accompanying notes are an integral part of this statement.
ST. JAMES PARISH ASSESSOR
Convent, Louisiana
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
December 31, 2005

Total Fund Balance - Governmental Fund $839,509

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet. 18,965

Total Net Assets of Governmental Activities $858,474

The accompanying notes are an integral part of this statement.
**ST. JAMES PARISH ASSESSOR**  
Convent, Louisiana  
Statement of Revenues, Expenditures and Changes in Fund Balance  
General Fund - Governmental Fund  
For the Year Ended December 31, 2005

<table>
<thead>
<tr>
<th>REVENUES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad valorem taxes</td>
<td>$579,055</td>
</tr>
<tr>
<td>State revenue sharing</td>
<td>20,274</td>
</tr>
<tr>
<td>Payments in lieu of taxes</td>
<td>28,922</td>
</tr>
<tr>
<td>Interest earnings</td>
<td>5,026</td>
</tr>
<tr>
<td>Other</td>
<td>34,461</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>667,738</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and related benefits</td>
<td>397,817</td>
</tr>
<tr>
<td>General office expenses</td>
<td>44,113</td>
</tr>
<tr>
<td>Education seminars, conventions &amp; dues</td>
<td>2,936</td>
</tr>
<tr>
<td>Travel and automotive</td>
<td>12,678</td>
</tr>
<tr>
<td>Professional and legal fees</td>
<td>24,932</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>482,476</strong></td>
</tr>
</tbody>
</table>

Excess of Revenues over Expenditures          185,262
Fund Balance at Beginning of Year             656,721
Fund Balance at End of Year                   **841,983**

The accompanying notes are an integral part of this statement.
Net Change in Fund Balance - Governmental Funds $185,262

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 of depreciation that was charged in the current year. (12,806)

Change in Net Assets of Governmental Activities $172,456

The accompanying notes are an integral part of this statement.
NOTES TO THE FINANCIAL STATEMENTS
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, prepares tax rolls, and submits the rolls to the Louisiana Tax Commission and other governmental bodies as prescribed by law. The assessor is authorized to appoint as many deputies as may be necessary for efficient operation of the office and provide 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 St. James Parish Courthouse in Convent, Louisiana. The assessor employs four employees. In accordance with Louisiana law, the assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The assessor completes an assessment listing for 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 located in the parish.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation
The accompanying basic financial statements of the St. James Parish Assessor have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The St. James Parish Assessor has adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management’s Discussion and Analysis - for State and
ST. JAMES PARISH ASSESSOR
Convent, Louisiana
Notes to the Financial Statements
December 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Local Governments. The assessor will be treated as a governmental-type activity for financial reporting purposes in this audit. The minimum requirements for the St. James Parish Assessor's office established by GASB Statement No. 34 are divided into the following sections: (a) Management's Discussion and Analysis, (b) Basic Financial Statements, and (c) Required Supplementary Information (RSI) other than MD&A.

The accompanying financial statements of the present information only as to the transactions of the programs of the assessor as authorized by Louisiana statutes and administrative regulations. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Revenue Recognition
Revenues are recognized using the full accrual basis of accounting. Therefore, ad valorem taxes, state revenue sharing, payments in lieu of taxes and interest earnings are recognized in the accounting period in which they are earned and become measurable.

Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31.

Expense Recognition
Expenses are also recognized on the accrual basis; therefore, expenses, including salaries and related benefits, general operating expenses, travel and automotive, office supplies and expenditures, etc. are recognized in the period incurred, if measurable.

2. Reporting Entity
For financial reporting purposes, the assessor includes in his office's financial statements all funds, account groups, activities, etc. that are controlled by the assessor as an independently elected parish official. As an independently elected parish official,
NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the assessor is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipts and disbursement of funds. Other than certain operating expenditures of the assessor's office that are paid or provided by the parish council, as required by Louisiana law, the assessor is financially independent. Accordingly, the assessor is a separate governmental reporting entity. The activities of the parish council, parish school board, other independently elected parish officials, and the 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 those of the assessor.

3. **Fund Accounting**

The assessor uses a fund (General Fund) to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The assessor's General Fund is classified as a governmental fund. Governmental funds account for general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of capital assets.

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the only fund of the assessor and accounts for the operation of the assessor's office. Ad valorem tax revenue authorized by Act 292 of 1985 is accounted for in this fund. General operating expenditures are paid from this fund.
NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgets
The original proposed budget for the year ended December 31, 2005, was advertised and made available for public inspection at the assessor's office on November 17, 2004. The budget was adopted on December 6, 2004. The proposed budget was prepared on the accrual basis of accounting. The assessor reserves all authority to make changes to the budget.

Formal budget integration within the accounting records is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

The 2005 original budget was amended and published in the official journal of the parish on November 16, 2005. It was subsequently adopted on December 5, 2005.

All appropriations contained in the budget lapse at year end.

5. Capital Assets
Capital assets are recorded at either historical cost or estimated historical cost and are depreciated over their estimated useful lives (excluding salvage value). Any donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is based on a 5-year estimated useful life for all capital assets owned by the assessor's office (auto, office furniture and equipment).

6. Cash and Cash Equivalents
Cash and cash equivalents include interest bearing demand deposits and certificates of deposit. Under state law, the assessor may deposit and invest funds in demand deposits, certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana and investments as stipulated in LSA R.S. 33:2955.
7. **Receivables**
Receivables are made up of ad valorem taxes, state revenue sharing and payments in lieu of taxes. Ad valorem tax receivables recorded as of December 31, 2005 are based on the actual ad valorem taxes to be received in 2006, therefore, there was no need for estimating an uncollectible amount.

8. **Compensated Absences**
Employees of the assessor's office earn 12 days of vacation leave and 12 days of sick leave each year. Vacation and sick leave cannot be accumulated from year to year. Upon termination, resignation, or retirement employees are not paid for any unused vacation or sick leave earned during the year. At December 31, 2005, there were no accumulated or vested benefits related to vacation and sick leave that require disclosure in accordance with GASB Codification C60.

9. **Long-term Obligations**
There were no long-term obligations at December 31, 2005.

10. **Encumbrances**
Encumbrance accounting is not utilized by the assessor due to the nature of operations and the ability of management to monitor budgeted expenditures on a timely basis.

11. **Use of Estimates**
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
NOTE B - LEVIED TAXES

Ad valorem taxes of 2.36 mills were authorized and levied for the operation of the assessor’s office for the year ended December 31, 2005. On November 2, 2004, the voters approved a 1-mill ad valorem tax increase to be used for additional funding of the assessor’s office operations. This increase was implemented for the 2005 tax year.

The following are the three principal taxpayers for the parish:

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>Business Type</th>
<th>2005 Assessed Valuation</th>
<th>Percentage of Total Assessed Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motiva Enterprises, LLC</td>
<td>Oil</td>
<td>$57,763,039</td>
<td>22%</td>
</tr>
<tr>
<td>Chevron Phillips Chemical Co.</td>
<td>Chemicals</td>
<td>26,221,841</td>
<td>11%</td>
</tr>
<tr>
<td>Imperial Savannah L.P.</td>
<td>Sugar</td>
<td>12,570,581</td>
<td>5%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$96,555,461</td>
<td>38%</td>
</tr>
</tbody>
</table>

The total assessed taxable valuation for all taxpayers at December 31, 2005, was $255,572,382. This figure was used in calculating the percentage of the "2005 assessed valuation of each of the principal taxpayers" to the "total assessed valuation for all taxpayers."

Deferred Ad Valorem Tax Revenue

After Hurricane Katrina, Motiva Enterprises, LLC, the parish’s largest single taxpayer, made an advance payment to St. James parish for a portion of its ad valorem taxes which would typically not be received by the assessor’s office until the 2006 reporting year. This advance was paid by Motiva to help the parish defray some of the expected costs of cleanup and other essential emergency response needs in the wake of the hurricane. The assessor’s portion amounted to $161,525, and is set up as a deferred revenue item on the Statement of Net Assets in the liability section of that statement at year-end. On the 2006 audit report, this deferred revenue item will be included in with ad valorem tax "revenue" on the Statement of Activities.
NOTE C - CASH AND CASH EQUIVALENTS

At December 31, 2005, the carrying amounts (book balances) of all cash and cash equivalents of the assessor are listed as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest bearing bank account</td>
<td>$257,908</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>133,842</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$391,750</strong></td>
</tr>
</tbody>
</table>

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, 2005, the assessor had $403,411 in deposits (collected bank balances). At December 31, 2005, these deposits were secured from risk by $100,000 of federal deposit insurance and $303,411 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the assessor that the fiscal agent has failed to pay deposited funds upon demand.

NOTE D - CAPITAL ASSETS

The capital assets used in the governmental-type activities are reported at historical cost less accumulated depreciation on the Statement of Net Assets. Depreciation of all exhaustible capital assets used by the assessor is charged as an expense against operations. Depreciation
NOTE D - CAPITAL ASSETS (CONTINUED)

expense for financial reporting purposes is computed using the straight-line method over the useful lives of the capital assets and is reported in the Statement of Activities.

A summary of changes in capital assets and accumulated depreciation during the year is listed as follows:

<table>
<thead>
<tr>
<th>Capital Assets</th>
<th>Balance 12/31/04</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance 12/31/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office furniture and equipment</td>
<td>$69,658</td>
<td>$2,474</td>
<td>-</td>
<td>$72,132</td>
</tr>
<tr>
<td>Auto</td>
<td>23,260</td>
<td>-</td>
<td>-</td>
<td>23,260</td>
</tr>
<tr>
<td>Total</td>
<td>$92,918</td>
<td>$2,474</td>
<td>-</td>
<td>$95,392</td>
</tr>
<tr>
<td>Less Accumulated Depreciation for -</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office furniture and equipment</td>
<td>$54,317</td>
<td>$8,154</td>
<td>-</td>
<td>$62,471</td>
</tr>
<tr>
<td>Auto</td>
<td>9,304</td>
<td>4,652</td>
<td>-</td>
<td>13,956</td>
</tr>
<tr>
<td>Total</td>
<td>$63,621</td>
<td>$12,806</td>
<td>-</td>
<td>$76,427</td>
</tr>
</tbody>
</table>

NOTE E - PENSION PLAN

Plan Description
Substantially all employees of the St. James Parish Assessor’s office are members of the Louisiana Assessor’s 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
NOTE E - PENSION PLAN (CONTINUED)

At least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee’s average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessor’s Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318)425-4446.

Funding Policy
For all of 2005, plan members (employees) were required by state law to contribute 8.0 percent of their annual covered salary into the retirement system. For the period of January 1, 2005 to September 30, 2005, the assessor (employer) was required to contribute 14.5 percent of an employee’s annual covered payroll into the System. For the period October 1, 2005 to December 31, 2005, the employer’s rate decreased to 14.0 percent. Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing appropriated by the legislature. The contribution requirements of plan members and the assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The assessor’s employer contributions to the System for the years ended December 31, 2005, 2004 and 2003, were $39,379, $36,403 and $36,080, respectively, and these amounts equaled the required contributions for those years.
NOTE F - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The St. James Parish Assessor provides certain continuing health care and life insurance benefits for retired employees. Substantially all of the assessor's employees become eligible for these benefits if they reach normal retirement age while working for the assessor. The assessor pays one hundred percent of all full-time employees' group health, disability, and life insurance benefits. The assessor does not pay for employees' family insurance benefits. Benefits for active employees and retirees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the assessor. The assessor recognizes the cost of providing these benefits (assessor's portion of premiums) as an expenditure when paid during the year. For 2005, the cost of benefits paid for active employees and retirees totaled $33,266 and $9,113, respectively.

NOTE G - LEASES

Operating Leases
Operating leases are all leases that do not meet the criteria of capital leases. The assessor is leasing a copier on a month-to-month basis with payments $116 per month. There are no minimum annual commitments under this lease.

There were no other operating leases, and there were no capital leases for the year ended December 31, 2005.

NOTE H - EXPENDITURES OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS

Certain operating expenditures of the assessor's office are paid by the St. James Parish Council as required by Louisiana Revised Statute 33:4713. The assessor's office is located in the St. James Parish Courthouse and the upkeep and maintenance of the courthouse is paid by the St. James Parish Council. These expenditures are not reflected in the accompanying financial statements.
NOTE I - LITIGATION

There was no litigation pending against the assessor’s office at December 31, 2005.
REQUIRED SUPPLEMENTARY INFORMATION (RSI)
### ST. JAMES PARISH ASSESSOR
Convent, Louisiana
Required Supplementary Information
General Fund - Governmental Fund Type
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2005

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Positive Amounts</td>
</tr>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad valorem taxes</td>
<td>$550,000</td>
<td>$593,000</td>
<td>$579,055</td>
</tr>
<tr>
<td>State revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>sharing</td>
<td>12,000</td>
<td>12,300</td>
<td>20,274</td>
</tr>
<tr>
<td>Payments in lieu of taxes</td>
<td>17,000</td>
<td>16,800</td>
<td>28,922</td>
</tr>
<tr>
<td>Interest earnings</td>
<td>4,000</td>
<td>4,500</td>
<td>5,026</td>
</tr>
<tr>
<td>Other</td>
<td>4,000</td>
<td>35,700</td>
<td>34,461</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>587,000</td>
<td>662,300</td>
<td>667,738</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal services and related expenditures</td>
<td>410,000</td>
<td>397,800</td>
<td>397,817</td>
</tr>
<tr>
<td>General office and maintenance</td>
<td>37,000</td>
<td>32,850</td>
<td>44,113</td>
</tr>
<tr>
<td>Education seminars, conventions and dues</td>
<td>3,000</td>
<td>3,000</td>
<td>2,936</td>
</tr>
<tr>
<td>Travel and automotive</td>
<td>15,000</td>
<td>21,600</td>
<td>12,678</td>
</tr>
<tr>
<td>Professional &amp; legal fees</td>
<td>15,000</td>
<td>31,200</td>
<td>24,932</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>480,000</td>
<td>486,450</td>
<td>482,476</td>
</tr>
<tr>
<td><strong>Excess (Deficiency) of Revenues over Expenditures</strong></td>
<td>107,000</td>
<td>175,850</td>
<td>185,262</td>
</tr>
<tr>
<td><strong>Fund Balance at Beginning of Year</strong></td>
<td>656,721</td>
<td>656,721</td>
<td>556,721</td>
</tr>
<tr>
<td><strong>Fund Balance at End of Year</strong></td>
<td>$763,721</td>
<td>$832,571</td>
<td>$841,983</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.
I have audited the accompanying basic financial statements of the St. James Parish Assessor as of and for the year ended December 31, 2005, and have issued my report thereon dated May 22, 2006. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2005 resulted in an unqualified opinion.

Section I - Summary of Auditor's Report and Findings

There was one material weakness in internal control that was a reportable condition which required disclosure in this audit report (Finding No. 1).

There were no instances of noncompliance that were required to be reported in this audit report.

There were no other findings, required to be reported, and no management letter was issued for the current audit period.

There was one prior-year audit finding, and it was the same as the current-year finding (Finding No. 1).

The St. James Parish Assessor did not receive any federal funds during the twelve months ended on December 31, 2005.
Section II - Financial Statement Finding

Finding No.: 1

Fiscal Year Finding Initially Occurred: Has existed from inception.

Finding Described: The size of the assessor’s operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial. No action will need to be taken.

Contact Person:
Mr. Glenn Waguespack, Assessor
St. James Parish
P. O. Box 55
Convent, Louisiana 70723
Phone #: 225-562-2251

Anticipated Completion Date: Not applicable.
OTHER REQUIRED REPORT
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

Honorable Glenn Waguespack
St. James Parish Assessor
Convent, Louisiana

I have audited the basic financial statements of the St. James Parish Assessor as of and for the year ended December 31, 2005, and have issued my report thereon dated May 22, 2006. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance
As a part of obtaining reasonable assurance about whether the St. James Parish Assessor's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting
In planning and performing my audit, I considered the St. James Parish Assessor's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements.
and not to provide assurance on the internal control over financial reporting. However, I noted a matter involving the internal control over financial reporting and its operations that I consider to be reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the assessor’s ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements. This reportable condition is described in the accompanying Schedule of Audit Findings in the Supplementary Information section of this audit report and is referenced as Finding No. 1.

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 in amounts that would be material in relation to the basic 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I considered the reportable condition described above to be a material weakness.

This report is intended solely for the use of management and the State of Louisiana Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the State of Louisiana Legislative Auditor, is a matter of public record.

Keith J. Kovira
Certified Public Accountant

May 22, 2006