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**ASSESSOR  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**FINANCIAL STATEMENTS AND AUDITOR'S REPORT**

**December 31, 1999**

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 08-02-00

**CASCIO, DAVIS & SCHMIDT, LLP**  
**Certified Public Accountants**

**ASSESSOR  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

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**CD&S**

**CASCIO, DAVIS & SCHMIDT, LLP**

**CERTIFIED PUBLIC ACCOUNTANTS**

FRANCIS J. CASCIO, CPA  
JAN E. DAVIS, CPA  
STEVEN A. SCHMIDT, CPA

MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA CERTIFIED  
PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

Assessor  
Third Municipal District,  
Parish of Orleans

We have audited the accompanying general purpose financial statements of the Assessor, Third Municipal District, Parish of Orleans, as of December 31, 1999 and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Assessor, Third Municipal District, Parish of Orleans. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Assessor, Third Municipal District, Parish of Orleans, as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Governmental Auditing Standards, we have also issued our report dated May 12, 2000 on our consideration of the Assessor, Third Municipal District, Parish of Orleans' internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

*Cascio, Davis & Schmidt, LLP.*

Metairie, Louisiana  
May 12, 2000

**ASSESSOR  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**COMBINED BALANCE SHEET -  
ALL FUND TYPES AND ACCOUNT GROUPS**

December 31, 1999

	<u>GOVERNMENTAL FUND TYPE</u>	<u>ACCOUNT GROUP</u>	<u>TOTALS (MEMORANDUM ONLY)</u>	
	<u>GENERAL FUND</u>	<u>FIXED ASSETS</u>	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>				
Cash (Note B)	\$ 89,658	\$ -	\$ 89,658	\$ 82,997
Investments (Note A3)	135,784	-	135,784	80,118
Receivables (Note C)	31,725	-	31,725	-
Fixed assets (Notes A5 and D)	<u>-</u>	<u>124,993</u>	<u>124,993</u>	<u>80,422</u>
Total assets	<u>\$ 257,167</u>	<u>\$ 124,993</u>	<u>\$ 382,160</u>	<u>\$ 243,537</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities</b>				
Accounts payable	\$ 12,667	\$ -	\$ 12,667	\$ 7,494
Accrued liabilities	<u>259</u>	<u>-</u>	<u>259</u>	<u>708</u>
Total liabilities	12,926	-	12,926	8,202
<b>Fund Equity</b>				
Investment in general fixed assets	-	124,993	124,993	80,422
Fund balance - undesignated	<u>244,241</u>	<u>-</u>	<u>244,241</u>	<u>154,913</u>
Total fund equity	<u>244,241</u>	<u>124,933</u>	<u>369,234</u>	<u>235,335</u>
Total liabilities and fund equity	<u>\$ 257,167</u>	<u>\$ 124,993</u>	<u>\$ 382,160</u>	<u>\$ 243,537</u>

The accompanying notes are an integral part of this statement.

**ASSESSOR  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE -  
ALL GOVERNMENTAL FUND TYPES**

**For the year ended December 31, 1999**

	<u>GENERAL FUND</u>
<b>REVENUES</b>	
Intergovernmental revenue	
Board of Assessors	
Allotment	\$ 273,468
Revenue sharing	70,737
Document transfer fees	229,025
Interest income	5,666
Other income	<u>21,293</u>
 <b>TOTAL REVENUES</b>	 600,189
 <b>EXPENDITURES</b>	
Current	
Personal services and related benefits	374,895
Travel	11,087
Operating expenses	75,529
Materials and supplies	4,779
Capital outlay	<u>44,571</u>
 <b>TOTAL EXPENDITURES</b>	 <u>510,861</u>
 <b>EXCESS OF REVENUES OVER EXPENDITURES</b>	 89,328
 Fund balance, beginning of year	 <u>154,913</u>
 Fund balance, end of year	 <u>\$ 244,241</u>

*The accompanying notes are an integral part of this statement.*

**ASSESSOR  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 1999**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the entity's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**1. Reporting Entity**

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, there shall be seven assessors in New Orleans, who shall compose the Board of Assessors for Orleans Parish. One shall be elected from each municipal district of New Orleans, and each shall be a resident of the district from which he is elected. The assessor shall be elected at the same time as the municipal officers of New Orleans, for terms of four years each. In the event a vacancy occurs in any one of the seven assessors' office, the Board of Assessors shall appoint an interim assessor for the unexpired term.

The assessor assesses all real and moveable property in his municipal district subject to ad valorem taxation. The assessor is authorized to appoint as many deputies as may be necessary for taxpayers in his district. 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.

For financial reporting purposes, the assessor includes all funds and accounts groups that are controlled by the assessor as an independently elected parish official. The activities of other independently elected parish officials and municipal level governments are not included within the accompanying financial statements as they are considered autonomous governments. These units of government issue financial statements separate from that of the parish assessors.

At December 31, 1999, the assessment roles of the Assessor, Third Municipal District, Parish of Orleans consisted of real property assessments totaling \$477,932,910 and personal property assessments totaling \$108,194,926.

**2. Basis of Presentation**

The accompanying financial statements of the Assessor, Third Municipal District, Parish of Orleans, 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.

**ASSESSOR  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 1999**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**3. Investments**

Investments represent funds deposited in the Louisiana Asset Management Pool, a state sponsored external investment pool. This investment is not required to be categorized under Government Accounting Standards Board Statement No. 3.

**4. Fund Accounting**

The Assessor, third Municipal District, Parish of Orleans, uses a fund and an account group to report on its financial position and 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. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources. The Fund and Account Group presented in the financial statements are described as follows:

**General Fund**

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the principal operating fund of the Assessor, Third Municipal District, Parish of Orleans and accounts for all financial resources, except those required to be accounted for in the account group. Revenues are accounted for in the General Fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Compensation received from the various taxing bodies, prescribed by formula in Louisiana Revised Statutes 47:1907-1908 is accounted for in the fund.

**5. General Fixed Assets Account Group**

General fixed assets are not capitalized in the funds used to acquire them. Instead, capital acquisitions are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Assets in the General Fixed Assets Account Group are not depreciated.

**ASSESSOR  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

December 31, 1999

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**6. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is 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 operating statement of the General Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. 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 be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

**7. Budget and Budgetary Accounting**

The Board of Assessors, Parish of Orleans, legally adopts an annual budget, which authorizes the annual appropriation of the Assessor's office. The budgetary practices include public notice, participation and inspection. Additionally, the Board of Assessor's budget authorizes supplementary appropriations during the year to the Assessor, Third Municipal District, Parish of Orleans. Since the Board of Assessors legally adopts a budget, the Assessor, Third Municipal District, Parish of Orleans, is not required to follow the legal budgetary practices of public notice, participation and inspections. When a budget is not adopted, generally accepted accounting principles does not require the presentation of the statement of revenues, expenditures, and changes in fund balances - budget and actual - all governmental fund types, consequently this statement is not presented with the basic financial statements.

**8. Assessor's Salary and Personal Allowances**

The salary of each Assessor in the Parish of Orleans is paid by the Board of Assessors, Parish of Orleans, and therefore is not included in the accompanying financial statements. In addition to their annual salary, the Assessor, Third Municipal District, Parish of Orleans, is granted ten percent (10%) of their annual compensation as a personal expenditure allowance, provided that the tax receipts of the respective tax recipient bodies shall not be reduced. The amount of personal expenditures incurred by the Assessor, Third Municipal District, Parish of Orleans, is included in the accompanying General Purpose Financial Statements.



**ASSESSOR  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

*December 31, 1999*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**9. Total Columns of Combined Statements**

Total columns are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**10. Vacation and Sick Leave**

The employees of the Assessor, Third Municipal District, Parish of Orleans, earn two weeks of vacation leave each year and earn one and one-half days of sick leave each month. Vacation leave not used at the end of the year is not carried over to the next year, consequently vacation leave is not accrued at the end of the year. Sick leave may be accumulated indefinitely by the employees. Vacation and sick pay expenditures are charged to operations when taken by the employees of the Assessor, Third Municipal District, Parish of Orleans. Unused sick leave can be taken only in the event of illness and is not convertible to pay upon termination of employment or retirement, accordingly, no accruals are reflected in the accounts.

**NOTE B - CASH DEPOSITS**

Cash deposits of the Assessor, Third Municipal District, Parish of Orleans are fully collateralized. A categorization indicating the level of risk at year end follows:

Category I - Insured or collateralized by the Federal Deposit Insurance Corporation

Category II - Collateralized with securities held by the pledging financial institution

Category III - Uncollateralized

	<u>Bank Balance</u>	<u>Category</u>		
		1	2	3
Cash Deposits	\$ <u>98,033</u>	\$ <u>98,033</u>	\$ <u>      -</u>	\$ <u>      -</u>

**ASSESSOR  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

December 31, 1999

**NOTE C - RECEIVABLES**

Receivables at December 31, 1999 consist of Document Transfer Taxes for the months of November and December 1999, received in the year 2000.

**NOTE D - GENERAL FIXED ASSETS - ACCOUNT GROUP**

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>01/01/99</u>	<u>Additions</u>	<u>Balance</u> <u>12/31/99</u>
Computer software	\$ 3,070	\$ -	\$ 3,070
Equipment	49,295	11,110	60,405
Furniture and fixtures	22,376	-	22,376
Office improvements	<u>5,681</u>	<u>33,461</u>	<u>39,142</u>
Total fixed assets	<u>\$ 80,422</u>	<u>\$ 44,571</u>	<u>\$ 124,993</u>

**NOTE E - PENSION PLAN**

All full-time employees of the Assessor, Third Municipal District, Parish of Orleans, are members of the Louisiana Assessor's Retirement System. In addition to employee payroll deductions, a portion of the Board's allotment is remitted to the retirement system.

The retirement system is a state-wide defined benefit multiple employer public retirement system. The system is administered and controlled by a separate board of trustees, with contribution rates approved by the Louisiana Legislature. Contributions of participants and the Board's allotment are pooled within the system to fund accrued benefits. The Assessor, Third Municipal District, Parish of Orleans does not guarantee the benefits granted by the retirement system.

Following is a summary of the Louisiana Assessor's Retirement Fund for the most recent valuation date, which was September 30, 1999.

<u>Actuarial Value of Plan Assets</u>	<u>\$ 99,540,025</u>
<u>Unfunded Pension Benefit Obligation</u>	<u>\$ 33,878,583</u>
1) Amount of the Assessor, Third Municipal District, Parish of Orleans, Current Year Covered Payroll	\$ <u>287,395</u>
Amount of the Assessor, Third Municipal District, Parish of Orleans, Current Year Total Payroll	\$ <u>296,938</u>

**ASSESSOR  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 1999**

**NOTE E - PENSION PLAN - CONTINUED**

- 2) All full time employees of the Assessor, Third Municipal District, Parish of Orleans, are members of the Retirement System.

Retirement benefits are computed based on the highest thirty-six (36) consecutive or joined months of salary.

A participant may retire after twelve (12) years of creditable Service and 55 years of age or older, or at age 50 with 30 years creditable service.

- 3) The Louisiana Assessor's Retirement Fund was created by provision of Act 91 of the 1950 Legislature, as amended, up to and including Act 256 of 1986 and required the following provisions:

The Assessor, Third Municipal District, Parish of Orleans, is required to contribute 5.75% of covered Payroll which shall be remitted to the Louisiana Assessor's Retirement Fund.

The Assessor, Third Municipal District, Parish of Orleans, is required to deduct 7% from the salaries of the full-time employees, which shall be remitted to the Louisiana Assessor's Retirement Fund.

4) Employee actual contributions	\$ 18,081
Employer actual contributions	<u>17,834</u>
Total Contributions	\$ <u><u>35,915</u></u>

The contributions are 12.5% of the total covered payroll.

- 5) The assumptions used for valuation were the same as those utilized for the prior year except for a restricting of the method used to calculate the assumed maximum benefit payable by the system and a change in the assumed rate of retirement.

**ASSESSOR  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

December 31, 1999

**NOTE E - PENSION PLAN - CONTINUED**

- 6) The Louisiana Assessor's Retirement System, a cost-sharing multiple-employer plan, does not conduct separate measurements of assets and pension benefit obligations for individual employers. Also, membership data is not available by individual employer. The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits for the state-wide plan:

Active Members	\$ 124,503,429
Retirees, beneficiaries and terminated employees	<u>52,201,966</u>
Total pension benefit obligation	<u>\$ 176,705,395</u>
Total net assets available for benefits	<u>\$ 101,426,239</u>

- 7) The historical trend information shall be included in the separately issued Louisiana Assessor's Retirement Fund annual report.

**NOTE F - COMMITMENTS AND CONTINGENCIES**

The Assessor, Third Municipal District, Parish of Orleans, leases an automobile. The lease is considered for accounting purposes to be a non-cancelable operating lease.

As of December 31, 1999, future minimum rental commitments under the lease are as follows:

**Lease Commitment**

<u>Year ending December 31,</u>	<u>Amount</u>
2000	\$ 4,713
2001	1,178

The Assessor, Third Municipal District, Parish of Orleans, Has a cancelable operating lease as follows:

<u>Terms</u>	<u>Annual Payment</u>
\$ 50 Monthly	\$ 600

Lease and rental expenditures for the year ended December 31, 1999, amounted to \$5,313.

FRANCIS J. CASCIIO, CPA  
JAN E. DAVIS, CPA  
STEVEN A. SCHMIDT, CPA

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AMERICAN INSTITUTE OF CERTIFIED  
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Assessor  
Third Municipal District  
Parish of Orleans

We have audited the general-purpose financial statements of the Assessor, Third Municipal District, Parish of Orleans, as of and for the year ended December 31, 1999, and have issued our report thereon dated May 12, 2000. We conducted our 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 part of obtaining reasonable assurance about whether the Assessor, Third Municipal District, Parish of Orleans' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, 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 that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

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

This report is intended for the information of management and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Cascio, Davis & Schmidt, LLP.*

Metairie, Louisiana  
May 12, 2000