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BOARD OF ASSESSORS, PARISH OF ORLEANS

NEW ORLEANS, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS

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 8-30-00

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PEPPERMAN, EMBOULAS, SCHWARTZ & TODARO  
L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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S. IRVIN TODARO  
WILLIAM C. ABADIE, JR.  
JAMES M. KOLWE  
LUCILLE M. HESS  
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EMILE A. ALT (1910-1989)  
JAMES J. GALLAGHER, JR. (1918-1989)  
JACOB F. PEPPERMAN (1927-1990)  
WILFRED SCHWARTZ, RETIRED  
MICHAEL S. HOOK (1954-1997)

INDEPENDENT AUDITOR'S REPORT

Board Of Assessors, Parish Of Orleans  
New Orleans, Louisiana

We have audited the accompanying general purpose financial statements of the Board Of Assessors, Parish Of Orleans, New Orleans, Louisiana, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the management. 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 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 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 Board Of Assessors, Parish Of Orleans, New Orleans, Louisiana, 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 *Government Auditing Standards*, we have also issued our report dated June 9, 2000, on our consideration of the Board Of Assessors, Parish Of Orleans, New Orleans, Louisiana, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Pepperman, Emboulas, Schwartz & Todaro, L.L.C.*

Metairie, Louisiana  
June 9, 2000

PEPPERMAN, EMBOULAS, SCHWARTZ & TODARO  
L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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COMPLIANCE AND INTERNAL CONTROL REPORT

Board Of Assessors, Parish Of Orleans

New Orleans, Louisiana

We have audited the general purpose financial statements of the Board Of Assessors, Parish Of Orleans, New Orleans, Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 9, 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 Board Of Assessors, Parish Of Orleans, New Orleans, Louisiana, general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 Board Of Assessors, Parish Of Orleans, New Orleans, Louisiana, internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Board Of Assessors, Parish Of Orleans, New Orleans, Louisiana, ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. We noted that although all payroll taxes have been remitted, there are indications that remittance and reconciliations of payroll tax liabilities have not been prepared timely.

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 general purpose 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. Our

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, we believe the reportable condition described above is not a material weakness.

This report is intended for the information of the Legislative Auditor and the Board Of Assessors. However, this report is a matter of public record and its distribution is not limited.

*Pepperman, Erbeclaw, Schwartz & Todaro, L.L.C.*

Metairie, Louisiana  
June 9, 2000

COMBINED BALANCE SHEET -  
ALL FUND TYPES AND ACCOUNT GROUPS  
DECEMBER 31, 1999

|  | GOVERNMENTAL<br>FUND TYPE |                         | ACCOUNT GROUP              |                              | TOTAL<br>(MEMORANDUM<br>ONLY) |
|--|---------------------------|-------------------------|----------------------------|------------------------------|-------------------------------|
|  | GENERAL<br>FUND           | DEBT<br>SERVICE<br>FUND | GENERAL<br>FIXED<br>ASSETS | GENERAL<br>LONG-TERM<br>DEBT |                               |
| <u>ASSETS AND OTHER DEBITS:</u>                                  |                           |                         |                            |                              |                               |
| Cash And Cash Equivalents  | \$151,591                 | \$24,017                | \$ ---                     | \$ ---                       | \$175,608                     |
| Investments, At Cost   | 1,654                     | ---                     | ---                        | ---                          | 1,654                         |
| Taxes Receivable   | 140,786                   | ---                     | ---                        | ---                          | 140,786                       |
| Prepaid Expenses   | 15,029                    | ---                     | ---                        | ---                          | 15,029                        |
| Equipment, At Cost   | ---                       | ---                     | 125,418                    | ---                          | 125,418                       |
| Other Debits - Amount<br>Provided For General<br>Long-Term Debt  | ---                       | ---                     | ---                        | 24,017                       | 24,017                        |
| <b>Total Assets And<br/>Other Debits</b>                         | <b><u>\$309,060</u></b>   | <b><u>\$24,017</u></b>  | <b><u>\$125,418</u></b>    | <b><u>\$24,017</u></b>       | <b><u>\$482,512</u></b>       |
| <u>LIABILITIES, FUND EQUITY,<br/>AND OTHER CREDITS:</u>          |                           |                         |                            |                              |                               |
| Liabilities:   |                           |                         |                            |                              |                               |
| Accounts Payable:  |                           |                         |                            |                              |                               |
| Trade  | \$ 7,633                  | \$ ---                  | \$ ---                     | \$ ---                       | \$ 7,633                      |
| Other  | 16,365                    | ---                     | ---                        | ---                          | 16,365                        |
| Taxes Payable  | 44,100                    | ---                     | ---                        | ---                          | 44,100                        |
| General Long-Term<br>Debt Payable                                | ---                       | ---                     | ---                        | 24,017                       | 24,017                        |
| <b>Total Liabilities</b>   | <b><u>\$ 68,098</u></b>   | <b><u>\$ ---</u></b>    | <b><u>\$ ---</u></b>       | <b><u>\$24,017</u></b>       | <b><u>\$ 92,115</u></b>       |
| Fund Equity And Other<br>Credits:                                |                           |                         |                            |                              |                               |
| Investment In General<br>Fixed Assets                            | \$ ---                    | \$ ---                  | \$125,418                  | \$ ---                       | \$125,418                     |
| Fund Balances:   |                           |                         |                            |                              |                               |
| Unreserved -<br>Undesignated                                     | 240,962                   | ---                     | ---                        | ---                          | 240,962                       |
| Reserved For Debt<br>Service                                     | ---                       | 24,017                  | ---                        | ---                          | 24,017                        |
| <b>Total Fund Equity And<br/>Other Credits</b>                   | <b><u>\$240,962</u></b>   | <b><u>\$24,017</u></b>  | <b><u>\$125,418</u></b>    | <b><u>\$ ---</u></b>         | <b><u>\$390,397</u></b>       |
| <b>Total Liabilities, Fund<br/>Equity, And Other<br/>Credits</b> | <b><u>\$309,060</u></b>   | <b><u>\$24,017</u></b>  | <b><u>\$125,418</u></b>    | <b><u>\$24,017</u></b>       | <b><u>\$482,512</u></b>       |

See Accompanying Notes

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999

|  | <u>GENERAL<br/>FUND</u> | <u>DEBT<br/>SERVICE<br/>FUND</u> | <u>TOTAL<br/>(MEMORANDUM<br/>ONLY)</u> |
|--|-------------------------|----------------------------------|--|
| <u>REVENUES:</u>   |                         |                                  |  |
| Intergovernmental Revenues:  |                         |                                  |  |
| Dedicated Millage  | \$1,741,742             | \$ ---                           | \$1,741,742                            |
| Documentary Transaction Tax  | 523,758                 | ---                              | 523,758                                |
| State Revenue Sharing  | 150,274                 | ---                              | 150,274                                |
| Interest Earned  | 33,730                  | ---                              | 33,730                                 |
| Miscellaneous Charges  | <u>28,617</u>           | <u>---</u>                       | <u>28,617</u>                          |
| Total Revenues   | <u>\$2,478,121</u>      | <u>\$ ---</u>                    | <u>\$2,478,121</u>                     |
| <u>EXPENDITURES:</u>   |                         |                                  |  |
| General Government - Taxation:   |                         |                                  |  |
| Personal Services And<br>Related Benefits  | \$ 670,696              | \$ ---                           | \$ 670,696                             |
| Operating Services   | 7,394                   | ---                              | 7,394                                  |
| Material And Supplies  | 65,059                  | ---                              | 65,059                                 |
| Miscellaneous  | 50,250                  | ---                              | 50,250                                 |
| Allocations To Orleans<br>Parish Assessors' Districts                                | 1,611,429               | ---                              | 1,611,429                              |
| Debt Service:  |                         |                                  |  |
| Principal Retirement   | ---                     | 3,002                            | 3,002                                  |
| Interest And Charges   | <u>---</u>              | <u>397</u>                       | <u>397</u>                             |
| Total Expenditures   | <u>\$2,404,828</u>      | <u>\$ 3,399</u>                  | <u>\$2,408,227</u>                     |
| <u>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER EXPENDITURES</u>                         | <u>\$ 73,293</u>        | <u>(\$ 3,399)</u>                | <u>\$ 69,894</u>                       |
| <u>OTHER FINANCING SOURCES (USES):</u>   |                         |                                  |  |
| Transfers (To) From:   |                         |                                  |  |
| General Long-Term Debt<br>Account Group  | (\$ 397)                | \$ 27,416                        | \$ 27,019                              |
| General Fixed Asset Account Group  | <u>( 27,019)</u>        | <u>---</u>                       | <u>( 27,019)</u>                       |
| Total Other Financing<br>Sources (Uses)  | <u>(\$ 27,416)</u>      | <u>\$ 27,416</u>                 | <u>\$ ---</u>                          |
| <u>EXCESS OF REVENUES AND OTHER<br/>SOURCES OVER EXPENDITURES<br/>AND OTHER USES</u> | <u>\$ 45,877</u>        | <u>\$ 24,017</u>                 | <u>\$ 69,894</u>                       |
| <u>FUND BALANCE AT BEGINNING OF YEAR</u>   | <u>195,085</u>          | <u>---</u>                       | <u>195,085</u>                         |
| <u>FUND BALANCE AT END OF YEAR</u>   | <u>\$ 240,962</u>       | <u>\$ 24,017</u>                 | <u>\$ 264,979</u>                      |

See Accompanying Notes

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999

|  | <u>GENERAL FUND</u>   |                       |   |
|--|-----------------------|-----------------------|---|
|  | <u>ACTUAL</u>         | <u>BUDGET</u>         | <u>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</u> |
| <u>REVENUES:</u>   |                       |                       |   |
| Intergovernmental Revenues:  |                       |                       |   |
| Dedicated Millage  | \$1,741,742           | \$1,737,624           | \$ 4,118  |
| Documentary Transaction Tax  | 523,758               | 523,000               | 758   |
| State Revenue Sharing  | 150,274               | 144,000               | 6,274   |
| Interest Earned  | 33,730                | 37,100                | ( 3,370)  |
| Miscellaneous Charges  | <u>28,617</u>         | <u>---</u>            | <u>28,617</u>                                   |
| Total Revenues   | <u>\$2,478,121</u>    | <u>\$2,441,724</u>    | <u>\$ 36,397</u>                                |
| <br><u>EXPENDITURES:</u>   |                       |                       |   |
| General Government - Taxation:   |                       |                       |   |
| Personal Services And<br>Related Benefits  | \$ 670,696            | \$ 603,150            | (\$ 67,546)                                     |
| Operating Services   | 7,394                 | 8,000                 | 606   |
| Materials And Supplies   | 65,059                | 65,300                | 241   |
| Miscellaneous  | 50,250                | 44,810                | ( 5,440)  |
| Allocations To Orleans Parish<br>Assessors' Districts                                    | 1,611,429             | 1,649,790             | 38,361  |
| Debt Service:  |                       |                       |   |
| Principal Retirement   | ---                   | ---                   | ---   |
| Interest And Charges   | <u>---</u>            | <u>---</u>            | <u>---</u>                                      |
| Total Expenditures   | <u>\$2,404,828</u>    | <u>\$2,371,050</u>    | <u>(\$ 33,778)</u>                              |
| <br><u>EXCESS OF REVENUES OVER EXPENDITURES</u>  | <br><u>\$ 73,293</u>  | <br><u>\$ 70,674</u>  | <br><u>\$ 2,619</u>                             |
| <br><u>OTHER FINANCING SOURCES (USES):</u>   |                       |                       |   |
| Transfers (To) From:   |                       |                       |   |
| General Long-Term Debt<br>Account Group  | (\$ 397)              | \$ ---                | (\$ 397)  |
| General Fixed Asset Account Group  | <u>( 27,019)</u>      | <u>---</u>            | <u>( 27,019)</u>                                |
| Total Other Financing<br>Sources (Uses)  | <u>(\$ 27,416)</u>    | <u>\$ ---</u>         | <u>(\$ 27,416)</u>                              |
| <br><u>EXCESS OF REVENUES AND<br/>OTHER SOURCES OVER EXPENDITURES<br/>AND OTHER USES</u> | <br><u>\$ 45,877</u>  | <br><u>\$ 70,674</u>  | <br><u>(\$ 24,797)</u>                          |
| <br><u>FUND BALANCE AT BEGINNING OF YEAR</u>   | <br><u>195,085</u>    | <br><u>195,085</u>    | <br><u>---</u>                                  |
| <br><u>FUND BALANCE AT END OF YEAR</u>   | <br><u>\$ 240,962</u> | <br><u>\$ 265,759</u> | <br><u>(\$ 24,797)</u>                          |

See Accompanying Notes



NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1999

NOTE 1 - INTRODUCTION AND SUMMARY OF  
SIGNIFICANT ACCOUNTING POLICIES:

INTRODUCTION:

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the assessors are elected by the voters of each parish, Orleans Parish excepted, and serve terms of four years. The assessors assess property, prepare tax rolls, and submit the rolls to the Louisiana Tax Commission as prescribed by law.

The Board Of Assessors' office is located in the Orleans Parish City Hall in New Orleans, Louisiana. It functions as the administrative body for the Orleans Parish Assessors and their seven Municipal Districts. It's directors are comprised of the seven Orleans Parish Assessors.

The Board's primary revenue consists of dedicated millage collections (1.19 mills) by the City Of New Orleans from the assessment tax rolls of the Parish and distributed to the Board. The seven Orleans Parish Assessors receive an allocation from this fund on a pro-rata basis for the expense of operating their offices. The remaining funds are used to pay the Assessors' salaries and administration expenses of the Board.

A special taxing district was created by the Legislature for the purpose of funding the Board Of Assessors of Orleans Parish. The District shall levy a tax on the assessed valuation of all taxable property on the tax rolls. The Board Of Assessors allocates the tax collected to each Orleans Parish Assessor based on the size and activity in each district.

NOTE 1 - INTRODUCTION AND SUMMARY OF  
SIGNIFICANT ACCOUNTING POLICIES: (Continued)

At December 31, 1999, real and movable property assessments totaled \$1,565,730,849. This represents a decrease in assessments totaling \$2,575,891 over the prior year, caused primarily by decreasing values of movable property assessments in the districts during the year.

A) BASIS OF PRESENTATION:

The accompanying general purpose financial statements of the Board Of Assessors, Parish Of Orleans, New Orleans, Louisiana, 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.

B) THE REPORTING ENTITY:

For financial reporting purposes, the Board Of Assessors, Parish Of Orleans, New Orleans, Louisiana, includes all funds, account groups, activities, et cetera that are controlled by the Board Of Assessors. The activities of the parish police jury, school board, other independently elected parish officials, and municipal level government are not included within the accompanying financial statements as they are considered autonomous governments. These units of government issue financial statements separate from that of the Board Of Assessors.

C) FUND ACCOUNTING:

The Board Of Assessors uses funds and account groups 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. 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 financial resources.

Funds of the Board are classified as governmental funds. Governmental funds account for the Board's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets. Governmental funds of the Board include:

NOTE 1 - INTRODUCTION AND SUMMARY OF  
SIGNIFICANT ACCOUNTING POLICIES: (Continued)

C) FUND ACCOUNTING: (Continued)

General Fund:

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the principal fund of the Board Of Assessors and accounts for the operation of the Board Of Assessors' office. Funds received from ad valorem tax revenue, authorized by Act R. S. 47:1925.1, 1925.2 (A) and 1925.3 (A) of the 1986 Legislative Session, are accounted for in this fund. General operating expenditures are paid from this fund.

Debt Service Fund:

Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, interest, and related costs.

Account Groups:

General Fixed Assets:

Fixed assets are accounted for in the General Fixed Assets Account Group rather than in the governmental funds. No depreciation has been provided on fixed assets. Fixed assets are valued at historical costs.

General Long-Term Debt:

Long-Term obligations expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not funds. They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

D) BASIS OF ACCOUNTING:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for Governmental Fund Types. Governmental Fund Types use the following practices in recording revenues and expenditures:

Revenues:

Revenues are recorded as received in cash except for the accrual of dedicated millage which was collected by the City Tax Collector but not remitted to the Board as of the year end, and accrued interest on Certificates of Deposit and other cash equivalents at December 31, 1999.

NOTE 1 - INTRODUCTION AND SUMMARY OF  
SIGNIFICANT ACCOUNTING POLICIES: (Continued)

D) BASIS OF ACCOUNTING: (Continued)

Expenditures:

Expenditures are recorded on the accrual basis.

Other Financing Sources (Uses):

Transfers between funds and account groups are accounted for as other financing sources (uses).

E) BUDGET PRACTICES:

The proposed budget for the year beginning January 1, 1999 and ending December 31, 1999, prepared on the accrual basis of accounting, was published in The Times-Picayune newspaper on December 11, 12 and 13, 1998. The proposed budget was legally adopted by the Board Of Assessors on December 7, 1998.

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budgeted amounts. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

The Board Of Assessors utilizes the traditional budget preparation method of budgeting for its financial plan. Revenues projected for 1999 were estimated based on millage collections allocated to the Board Of Assessors for 1999 which collections were predetermined to approximate prior years revenues. Expenditures of prior years are considered when preparing the budget for the current year. The right to make changes in the adopted budget is reserved solely to the Board Of Assessors.

Unused appropriations for all budgeted funds lapse at year end.

A budget is not required to be adopted for the Debt Service Fund, it is excluded from the budget-actual comparison shown in Exhibit "C" of the financial statements.

F) ENCUMBRANCES:

Encumbrances accounting, under which commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not used by the Board of Assessor's Office because it is considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control. Therefore, there were no outstanding encumbrances at December 31, 1999.

G) CASH AND CASH EQUIVALENTS:

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. The Board Of Assessors considers all highly liquid debt instruments, time deposits and those investments with original maturities of 90 days or less to be cash equivalents. Under state law,

NOTE 1 - INTRODUCTION AND SUMMARY OF  
SIGNIFICANT ACCOUNTING POLICIES: (Continued)

G) CASH AND CASH EQUIVALENTS: (Continued)

the Board Of Assessors may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Under state law, the Board Of Assessors may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

H) GENERAL FIXED ASSETS:

Fixed assets are recorded as expenditures at the time purchased, and the related assets are accounted for in the General Fixed Assets Account Group. No depreciation has been provided on general fixed assets. All general fixed assets are valued at historical cost.

I) COMPENSATED ABSENCES:

The Board Of Assessors does not employ a formal sick leave policy. Employees are entitled to two weeks paid vacation after one year of employment. There is no accumulation or vesting of leave or vacation.

It is impracticable to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Board's policy is to recognize the costs of compensated absences when actually paid to employees.

J) GENERAL LONG-TERM DEBT:

Long-term obligations expected to be financed from Governmental Funds are accounted for in the General Long-Term Debt Account Group. Expenditures for principal and interest payments for long-term obligations are recognized in the Debt Service Fund when due.

K) TOTAL COLUMNS ON THE STATEMENTS - OVERVIEW:

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

NOTE 1 - INTRODUCTION AND SUMMARY OF  
SIGNIFICANT ACCOUNTING POLICIES: (Continued)

L) USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS:

The following is a summary of cash and cash equivalents at December 31, 1999 and related collateral in the form of federal deposit insurance and pledged securities:

|                                 |                |                  |
|---------------------------------|----------------|------------------|
| Cash                            | \$ 96          |                  |
| Money Market Account            | <u>175,512</u> | <u>\$175,608</u> |
| Federal Deposit Insurance       | \$100,000      |                  |
| Collateral - Pledged Securities | <u>420,000</u> | <u>\$520,000</u> |
| Uninsured Balance               |                | <u>\$ ---</u>    |

As reflected in Exhibit "A", the Board Of Assessors had cash and cash equivalents totaling \$175,608 at December 31, 1999. Cash and cash equivalents 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 be equal to the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a custodial bank that is mutually acceptable to the parties involved.

NOTE 3 - INVESTMENTS:

At December 31, 1999, the Board Of Assessors held investments totaling \$1,654 as follows:

|                                 | <u>CARRYING<br/>AMOUNT</u> | <u>MARKET<br/>VALUE</u> |
|---------------------------------|----------------------------|-------------------------|
| Louisiana Asset Management Pool | <u>\$ 1,654</u>            | <u>\$ 1,654</u>         |

NOTE 3 - INVESTMENTS: (Continued)

The investments are in the name of the Board Of Assessors and are held at the Board's office.

NOTE 4 - GENERAL FIXED ASSET - ACCOUNT GROUP:

The following is a summary of changes in General Fixed Assets Account Group.

|                              | <u>OFFICE<br/>EQUIPMENT</u> |
|------------------------------|-----------------------------|
| Balance January 1, 1999      | \$ 98,399                   |
| Additions:                   |                             |
| Year Ended December 31, 1999 | <u>27,019</u>               |
| Balance December 31, 1999    | <u>\$125,418</u>            |

NOTE 5 - ACCOUNTS PAYABLE - OTHER:

At December 31, 1999, the Board was liable for \$16,365 of penalties and interest assessed by the Internal Revenue Service and the State of Louisiana for untimely remittance of related payroll taxes. The Board has paid the penalty and interest assessment and has requested a waiver of both the penalties and related interest.

NOTE 6 - LONG-TERM DEBT ACCOUNT GROUP:

The following is a summary of long-term obligations transacted during the year:

|                            | <u>LEASES<br/>PAYABLE</u> |
|----------------------------|---------------------------|
| Balance, January 1, 1999   | \$ ---                    |
| Additions                  | 27,019                    |
| Payments During The Year   | <u>3,002</u>              |
| Balance, December 31, 1999 | <u>\$ 24,017</u>          |

The above lease obligation payable is a capital lease for computer equipment. The lease is payable in monthly installments of \$849.77 for a period of 36 months beginning in September 1999 and ending August 2002.

NOTE 6 - LONG-TERM DEBT ACCOUNT GROUP: (Continued)

Future minimum lease payments under the capital lease, together with the present value of minimum lease payments subsequent to December 31, 1999, are as follows:

|   |                 |
|---|-----------------|
| 2000                                    | \$10,197        |
| 2001                                    | 10,197          |
| 2002                                    | <u>6,798</u>    |
|   | \$27,192        |
| Less Amount Representing Interest       | <u>3,175</u>    |
| Present Value Of Minimum Lease Payments | <u>\$24,017</u> |

NOTE 7 - BUDGET-ACTUAL COMPARISON:

As stated in the Summary of Significant Accounting Policies, the Board Of Assessors does not use formal budgetary integration as a management control device during the year. Budgeted amounts included in the financial statements include the originally adopted budget amounts.

Actual expenditures that exceeded budgeted amounts by more than 5% are as follows:

|                                      |                    |
|--------------------------------------|--------------------|
|                                      | <u>UNFAVORABLE</u> |
|                                      | <u>VARIANCE</u>    |
| Personal Services & Related Benefits | 11.2%              |
| Miscellaneous                        | 12.1%              |

The variance related to Personal Services and Related Benefits is a result of a salary increase to all seven assessors which was approved subsequent to the budget adoption. Additionally, the variance related to Miscellaneous Expense is a result of the penalty and interest on the untimely remittance of payroll taxes which was not anticipated at the time of budget preparation.

NOTE 8 - PENSION PLAN:

Plan Description

Substantially all employees of the Board Of Assessors are members of the Louisiana Assessors Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.



NOTE 8 - PENSION PLAN: (Continued)

Plan Description (Continued)

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 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 or amended 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 Assessors' Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318) 425-4446.

Funding Policy

Plan members are required by state statute to contribute 7.0 percent of their annual covered salary and the Board Of Assessors is required to contribute at an actuarially determined rate. The current rate is 5.75 percent of annual covered payroll. Contributions to the System also include one percent of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Board Of Assessors 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 Board Of Assessors contributions to the System for the years ending December 31, 1999, 1998 and 1997, were \$36,216, \$31,566 and \$30,517, respectively, equal to the required contributions for each year.

PEPPERMAN, EMBOULAS, SCHWARTZ & TODARO  
L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

LAWRENCE A. EMBOULAS  
S. IRVIN TODARO  
WILLIAM C. ABADIE, JR.  
JAMES M. KOLWE  
LUCILLE M. HESS  
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JOHN F. HARTMANN (1890-1967)  
WILLIAM G. ALY (1901-1985)  
EUGENE F. MONNIER (1905-1985)  
EMILE A. ALT (1910-1989)  
JAMES J. GALLAGHER, JR. (1918-1989)  
JACOB F. PEPPERMAN (1927-1990)  
WILFRED SCHWARTZ, RETIRED  
MICHAEL S. HOOK (1954-1997)

June 26, 2000

To The Board Of Assessors, Parish Of Orleans

New Orleans, Louisiana

In planning and performing our audit of the general purpose financial statements of The Board Of Assessors, Parish Of Orleans, for the year ended December 31, 1999, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control. However, we noted a certain matter involving internal control and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

Although all payroll taxes have been remitted, there are indications that for the last two years remittance and reconciliations of payroll tax liabilities have not been prepared timely.

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 errors or fraud in amounts that would be material in relation to the general purpose 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.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the reportable conditions described above is believed to be a material weakness.

Attached is a summary of prior and current audit findings as well as the Board's current corrective action plan and corrective action plans taken on prior audit findings.

This report is intended solely for the information and use of The Board Of Assessors, Parish Of Orleans, and The Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Pepperman, Emboulas, Schwartz & Todaro, L.L.C.*

Metairie, Louisiana  
June 26, 2000

COPY

Board Of Assessors, Parish Of Orleans

June 26, 2000

SUMMARY OF AUDIT FINDINGS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number: 1998-1

Fiscal Year Finding Initially Occurred: 12-31-98

Description Of Finding: Payroll tax remittance and reconciliations of payroll tax liabilities have not been prepared timely.

Corrective Action Taken (Yes, No Partially): Yes

Planned Corrective Action/

Corrective Action Taken: The Secretary for the Board Of Assessors will review the monthly bank statement for timely payroll tax remittance and monthly general ledger report for payroll tax liability balances. The President of the Board Of Assessors is responsible for implementation of this corrective action plan which will be taken immediately.

Reference Number: 1999-1

Fiscal Year Finding Initially Occurred: 12-31-98

Description Of Finding: Payroll tax remittance and reconciliations of payroll tax liabilities have not been prepared timely.

Corrective Action Taken (Yes, No Partially): Yes

Planned Corrective Action/

Corrective Action Taken: The Board Of Assessors has replaced the Company that previously processed and maintained their monthly accounting records. The Board has contracted with an outside payroll processing company to prepare their monthly payroll and pay their payroll taxes on a timely basis.

BOARD OF ASSESSORS  
PARISH OF ORLEANS  
NEW ORLEANS, LOUISIANA

ANNUAL GENERAL PURPOSE FINANCIAL STATEMENTS  
For the year ended December 31, 1999

Required by R.S. 24:514 to be filed with the  
Office of the Legislative Auditor within 90  
days after the close of the fiscal year.

A F F I D A V I T

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Personally came and appeared before the undersigned authority, Patricia A. Johnson, Assessor, Board Of Assessors, Parish Of Orleans, New Orleans, Louisiana, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Board Of Assessors, Parish Of Orleans, New Orleans, Louisiana, as of December 31, 1999, and the results of operations for the year then ended, in accordance with generally accepted accounting principles.

Patricia Johnson

2000 Sworn to and subscribed before me, this 29th day of June  
19    .

Dixton Albemarle  
NOTARY PUBLIC

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|           |                              |
|-----------|------------------------------|
| Assessor  | <u>Patricia A. Johnson</u>   |
| Address   | <u>4E01 City Hall</u>        |
|           | <u>1300 Perdido Street</u>   |
|           | <u>New Orleans, LA 70112</u> |
| Phone No. | <u>(504) 565-7050</u>        |