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MEMBER'S OFFICE, BRIDGE MUNICIPAL DISTRICT
PARISH OF ORLEANS, NEW ORLEANS, LOUISIANA

COMPILED REPORT AND GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 1998

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Release Date 7-31-99

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MANAGEMENT RESPONSE QUESTIONNAIRE

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AN INCORPORATED LIMITED LIABILITY CORPORATION

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ACCOUNTANT'S COMPILATION REPORT

Claude F. Kucharczyk, Assessor

Assessor's Office, Second Municipal District

Parish of Orleans, New Orleans, Louisiana

We have compiled the accompanying general purpose financial statements of the ASSESSOR'S OFFICE, SECOND MUNICIPAL DISTRICT, PARISH OF ORLEANS, NEW ORLEANS, LOUISIANA, as of December 31, 1996. In accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Pepperman, Embolas, Schwartz & Todaro, L.L.P.

MONROE, LOUISIANA
June 22, 1996

COMBINED BALANCE SHEETS
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1954

	<u>GOVERNMENTAL</u> <u>FUND TYPE</u>	<u>ACCOUNT</u> <u>GROUPS</u> <u>GENERAL</u> <u>FUND</u> <u>ASSETS</u>	<u>TOTALS</u> <u>(MEMORANDUM</u> <u>ONLY)</u>
ASSETS:			
Cash And Cash Equivalents	\$110,108	\$ ---	\$110,108
Accrued Interest Receivable	1,708	---	1,708
Investments	100,138	---	100,138
Due From Others	12,718	---	12,718
Prepaid Expenses	1,508	---	1,508
Fixed Assets	-----	12,480	12,480
Total Assets	\$228,258	\$ 12,480	\$240,738
LIABILITIES AND FUND EQUITY:			
Liabilities:			
Accounts Payable	\$ 258	\$ ---	\$ 258
Total Liabilities	\$ 258	\$ ---	\$ 258
Fund Equity:			
Investment In General Fund Assets	\$ ---	\$ 12,480	\$ 12,480
Fund Balances:			
Unreserved - Undesignated	228,000	-----	228,000
Total Fund Equity	\$228,000	\$ 12,480	\$240,480
Total Liabilities And Fund Equity	\$228,258	\$ 12,480	\$240,738

See Accompanying Notes And Administrator's Report

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1985

	<u>GENERAL FUNDS</u>
REVENUES:	
Intra-governmental Revenues:	
Compensation FROM TARIFF Bodies	\$157,480
Interest Income	<u>11,582</u>
Total Revenues	<u>\$169,062</u>
EXPENDITURES:	
Official Government - Various:	
Personnel Services	\$294,212
And Related Benefits	3,514
Materials And Supplies	14,500
Other Services And Charges	7,812
Travel And Other Charges	<u>4,208</u>
Miscellaneous	<u>4,208</u>
Total Expenditures	<u>\$328,454</u>
<u>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</u>	<u>(\$ 159,392)</u>
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>489,754</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$330,362</u>

See Accompanying Notes And Accountant's Report

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
ALL GOVERNMENTAL FUNDS TYPES
FOR THE YEAR ENDING DECEMBER 31, 1970**

	<u>GENERAL FUND</u>		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES:			
Intergovernmental Revenues:			
Commission From Taxing Bodies	\$138,000	\$137,681	(\$ 319)
Interest Income	<u>10,000</u>	<u>11,832</u>	\$ 1,832
Total Revenues	\$148,000	\$149,513	\$ 1,513
EXPENDITURES:			
General Government - Taxation:			
Personal Services And Related Benefits	\$198,000	\$199,313	(\$ 1,313)
Materials And Supplies	3,000	3,808	808
Other Services And Charges	12,300	14,660	2,360
Travel And Other Charges	5,000	2,812	2,188
Miscellaneous	<u>2,700</u>	<u>3,828</u>	1,128
Total Expenditures	\$229,000	\$234,421	\$ 5,421
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$ 81,000)	\$ 84,992	\$ 1,992
FUND BALANCE AT BEGINNING OF YEAR	248,263	248,263	---
FUND BALANCE AT END OF YEAR	\$167,263	\$333,255	\$ 66,992

See Accompanying Notes And Accountant's Report

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A) BASES OF PRESENTATION:

The accompanying financial statements of the Assessor's office, Second 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.

B) REPORTING ENTITY:

For financial reporting purposes, the Assessor includes all funds, account groups, activities, et cetera, 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 Assessor.

C) FUND ACCOUNTING:

The Assessor's office 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 Assessor's office are classified as governmental funds. Governmental funds account for the Assessor'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 Assessor's Office include:

Governmental Fund Types:
General Fund:

The General Fund is the general operating fund of the Assessor's office. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C) FUND ACCOUNTING: (continued)

Account Groups:
General Fund Assets:

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

An account group is not a fund. It is concerned only with the measurement of financial position and does not involve measurement of results of operations.

D) BAISIS 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 Assessor's records are maintained on the cash basis of accounting. However, the funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures:

Revenues:

Revenues are recorded as received in cash except for interest earned but not received on investments, which is accrued at December 31, 1998.

Expenditures:

Expenditures are recorded on the accrual basis.

E) BUDGET PRACTICES:

Included in the annual budget of the Assessor's Office, Second Municipal District, Parish of Orleans, proposed expenditures for the year ending December 31, 1998 were less than \$100,000 and, therefore, public inspection privileges and public hearings do not apply. However, the budget is available for public inspection at the Assessor's Office.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E) BUDGET PRACTICES: (continued)

The Assessor utilizes the traditional budget preparation method of budgeting for his financial plan. Revenues projected for the year ended November 30, 1994 were estimated based on millage collections allocated to the Board of Assessors. A portion of these revenues is allocated to the Grand Jurisdiction District for the salary and expense fund. Expenditures of prior year are considered when preparing the budget for the current year.

Unused appropriations for all budgeted funds lapse at year end.

F) LIABILITIES:

There were no outstanding occurrences at December 31, 1994.

G) CASH AND CASH EQUIVALENTS:

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. The Assessor's office 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, the assessor may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the assessor 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:

General 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) EMPLOYEES:

The Assessor's office 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 in vacation.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

3) COMPENSATED ABSENCE: (Continued)

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 Assessor's policy is to recognize the cost of compensated absences when actually paid to employees.

4) TOTAL COLUMNS OF THE STATEMENTS - CONTINUED:

The total columns of the financial statements are captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. This is this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a contribution.

NOTE 2 - CASH AND CASH EQUIVALENTS:

The following is a summary of cash and cash equivalents at December 31, 1983 and related collateral in the form of Federal deposit insurance and pledged securities:

Cash And Cash Equivalents:		
Demand Deposits - Frontier Bank		\$ 10,644
U. S. Government Obligations		<u>29,353</u>
		\$39,997
Obligations:		
Federal Deposit Insurance	\$100,000	
Pledged Securities	<u>29,353</u>	<u>129,353</u>
Uninsured Balance		<u>\$ 29,353</u>

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 pledged securities are held in the name of the pledging fiscal agent bank as a custodial bank that is mutually acceptable to both parties.

NOTE 2 - INVESTMENTS.

At December 31, 1998, the Assessor's Office holds investments totaling \$100,135 as follows:

	<u>CARRYING</u> <u>AMOUNT</u>	<u>MARKET</u> <u>VALUE</u>
Certificate of Deposit - Windsor National Bank	<u>\$100,135</u>	<u>100,135</u>

The investments are in the name of the Assessor's Office and are held at the Assessor's office.

NOTE 3 - GENERAL FUND ASSET - ACCOUNT GROUP.

The following is a summary of changes in the General Fund Asset Account Group.

Balance, January 1, 1998	\$13,400
Purchases	<u> </u>
Balance December 31, 1998	<u>\$13,400</u>

NOTE 4 - SEE FROM OTHERS

Amounts due from others represent temporary advances to RONALD S. BUCKLE, Assessor, Fourth Municipal District. At December 31, 1998 unpaid advances amounted to \$12,736.

NOTE 5 - PENSION PLAN

PEN ASSOCIATION

Substantially all employees of the Assessor's Office, Fourth Municipal District are members of the Louisiana Retirement Reformed System (LRRRS), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

Pension 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 58 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 broken 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 benefits 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 1788, Shreveport, Louisiana 71166-1788, or by calling (504) 426-8448.

Pension Policy

Pension members are required by state statute to contribute 7.0 percent of their annual covered salary and the Assessor's Office, Second Municipal District is required to contribute 6% as actuarially determined rate. The current rate is 6.8 percent of annual covered payroll. Contributions to the System also include one percent of the sales taxes 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 Assessor's Office, Second Municipal District are established and may be amended by state statute. As provided by Louisiana Revised Statute 12:323, the employee 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 Office, Second Municipal District contributions to the System for the years ending December 31, 1993, 1994 and 1995, were \$5,377, \$5,216, and \$5,628, respectively, equal to the required contributions for each year.

PEPPERMAN, ENBOULAS, SCHRANTZ & TODARO

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WILLIAM HARRISON, JR.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGENCY-UPON PROCEEDINGS

Clara T. Kassarov, Assessor

Kassarov's Office, Second Municipal District

Parish of Orleans, New Orleans, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Assessor's Office, Second Municipal District, Parish of Orleans, and the Legislative Auditor, State of Louisiana, solely to assist the work in evaluating management's assertions about the Assessor's Office compliance with certain laws and regulations during the year ended December 31, 1995 included in the accompanying Louisiana Anticipation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described herein either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such payments were made in accordance with LA-PS 401103-1034 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$5,000. Additionally, there were no expenditures made for public works exceeding \$50,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of the Assessor as defined by LA-PS 401103-1034 (the code of ethics), and a list of outside business interests of the Assessor and employees, as well as their immediate families.

Management provided us with the required list including the stated information.

3. OBTAIN FROM management a listing of all employees paid during the period under examination.

Management provided us with the required list.

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

None of the employees included on the list of employees provided by management (agreed-upon procedure "3") appeared on the list provided by management in agreed-upon procedure (2) except for Barbara S. Muehlstein, employed as a chief clerk, who is listed as the mother of Claude T. Muehlstein, Assessor. However, the Assessor is not in violation of LSA-RS 481113 in so far as MRS. MUEHLSTEIN is exempt from the provisions of this section because she was employed prior to the effective date of such provision.

Budgeting

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

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

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

We traced the adoption of the original budget to the letter from the Assessor dated November 20, 1994 which officially authorizes the implementation of the adopted budget of the Assessor's Office. No amendments were made to the budget during the year.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures did not exceed budgeted amounts by more than 5% for the year.

Accounting And Reporting

8. Randomly select six (6) disbursements made during the period under examination and:

(a) TRACE payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six (6) selected disbursements and found that payment was for the proper amount and made to the correct payee.

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

We examined supporting documentation for each of the six selected disbursements and found that all were properly coded to the correct fund and general ledger account.

- (c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the chief clerk and the Auditor.

Meetings

9. Examine evidence indicating that agendas for meetings were posted or advertised as required by LSA-RS 4812 (the open meetings law).

The Auditor's Office, Second Municipal District is comprised of the Auditor, an independently elected official and his employees. The Auditor's Office provides an administrative function only and held no meetings to deliberate or vote upon policy making decisions. Management has asserted that the Auditor's Office has complied with the provisions of the open meetings law. However, our inquiry indicated that there were no meetings held, as the public body subject to the open meetings law consists of the Auditor alone.

Debit

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

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

Advances and Loans

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

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

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

This report is intended solely for the use of management of the Treasurer's Office, Second Municipal District and the Legislative Auditor, STATE OF Louisiana, and should not be used by those who have not agreed to the procedures and takes responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Coopers & Lybrand, Chartered, L.L.P.

Baton Rouge, Louisiana
June 23, 1994