

MEMORANDUM
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS

NOTES TO FINANCIAL STATEMENTS

December 31, 1996

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 Act 659, Section 24 of the Louisiana Constitution of 1994, there shall be seven assessors in New Orleans, who shall comprise 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 assessors 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 assumes all real and personal property in his municipal district subject to ad valorem taxation. The assessor is authorized to appoint as many deputies as may be necessary for his office in his district. The deputies are authorized to perform all functions of the office, but the assessor is officially and personally responsible for the actions of the deputies.

For financial reporting purposes, the assessor includes all funds, account groups, activities, or interests that are controlled by the assessor as an independently elected parish official. The activities of 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 have financial statements separate from that of the parish assessors.

As December 31, 1996, there are 14,273 tax bills issued representing real property assessments totaling \$458,447,844 and 1,963 personal property assessments totaling \$60,152,617.

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.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN
AUDIT OF GENERAL PURPOSE OR BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Assessor
Third Municipal District,
Parish of Orleans

I 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, 1998, and have issued my report thereon dated May 8, 1999.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements.

Compliance with laws, regulations, contracts, and grants applicable to the Assessor's Office, Third Municipal District, Parish of Orleans, is the responsibility of the Assessor, Third Municipal District, Parish of Orleans management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, I performed tests of the Assessor, Third Municipal District, Parish of Orleans' compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. 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.

This report is intended solely for the use of management and the Legislative Authority. However, this report is a matter of public record, and its distribution is not limited.



Monroe, Louisiana
May 8, 1999

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ADDRESSING
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

December 31, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 July 14, 2007

ANNEXOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS

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INDEPENDENT AUDITOR'S REPORT

Auditor
Third Municipal District,
Parish of Orleans

I have audited the accompanying general purpose financial statements of the Auditor, Third Municipal District, Parish of Orleans, as of December 31, 1996, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Auditor, Third Municipal District, Parish of Orleans. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Auditor, Third Municipal District, Parish of Orleans, as of December 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.



Metairie, Louisiana
May 6, 1997

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities 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. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended solely for the use of management and the Legislative Auditors. However, this report is a matter of public record, and its distribution is not limited.



Mobile, Louisiana
May 6, 1981

ANNEXOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES

For the year ended December 31, 1996

		<u>GENERAL FUND</u>
REVENUE		
Inter governmental revenue	\$	157,648
Board of assessors allotment		15,445
Other revenue		501,117
TOTAL REVENUES		714,210
EXPENDITURES		
Current		289,281
Personal services and related benefits		317
Travel		71,882
Operating expenses		5,416
Materials and supplies		12,829
Capital outlay		346,726
TOTAL EXPENDITURES		766,726
EXCESS OF REVENUE OVER EXPENDITURES		57,484
Fund balance at beginning of year		25,963
Fund balance at end of year	\$	83,447

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

**ASSESSOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Fund Accounting

The accounts of the Assessor, Third Municipal District, Parish of Orleans, are organized on the basis of a fund and account group, to report on its financial position and results of 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 reportable available resources. The fund presented in the financial statements is described as follows:

General Fund

The General Fund, as provided by Louisiana Revised Statute 47:196, is the principal operating fund of the Assessor Third Municipal District, Parish of Orleans, and accounts for all financial resources. Revenues are accounted for in this individual fund based upon the purpose for which they are to be spent and the manner by which spending activities are controlled. Compensation received from the various taxing bodies, provided by Article 10 Louisiana Revised Statute 47:1902-1908 is accounted for in the fund. General operating expenditures are paid from this fund.

4. Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its accounting focus. The governmental fund is accounted for on a spending or "financial flow" accounting focus and only current assets and current liabilities are generally included on its balance sheet.

Equipment used in governmental fund-type operations are accounted for in the General Fund Assets Account Group, rather than in a governmental fund. These assets are recorded as expenditures in the governmental fund if purchased. No depreciation has been provided on general fund assets. All fixed assets are valued at historical cost.

**ASSESSORS
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. 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 and decreases in net current assets.

4. Budgetary Budgetary Accounting

The Board of Assessors, Parish of Orleans, legally adopts an annual budget, which authorizes the annual appropriations of the Assessor's office. The budgetary process includes public notice, participation and inspection. Additionally, the Board of Assessors' 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 inspection. 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 type, retroactively this statement is not presented with the basic financial statements.

5. Assessor's Salary and Personal Allowance

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 his annual salary, the Assessor, Third Municipal District, Parish of Orleans, is granted ten percent (10%) of his annual compensation as a personal expenditures allowance provided that the tax receipt of the respective tax recipient (taxes) 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, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A. Total Columns of Combined Statements - Overview

Total columns are captioned "Miscellaneous Only" to indicate that they are presented only to assist with 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. Holdings in such data comparable to a consolidation.

B. Vacation and Sick Leave

The employees of the Assessor, Third Municipal District, Parish of Orleans, earn five 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 account.

NOTE B - GENERAL FIXED ASSETS - ACCOUNT GROUP

A summary of changes in general fixed assets follows:

	Balance 01/01/96		Additions		Balance 12/31/96
Computer software	\$ 2,485		-		\$ 2,485
Equipment	19,165		12,079		31,244
Furniture and fixtures	17,519		-		17,519
Improvements other than building	2,601		-		2,601
Total fixed assets	\$ 41,769		\$ 12,079		\$ 53,848

**ANNEXER
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 1996

NOTE 4 - PENSION PLAN

All full-time employees of the Annexer, Third Municipal District, Parish of Orleans, are members of the Louisiana Annexer'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 past periods and the benefit allotment are posted within the system to fiscal account benefits. The Annexer, Third Municipal District, Parish of Orleans does not guarantee the benefits earned by the retirement system.

Following is a summary of the Louisiana Annexer's Retirement Fund for the most recent valuation date, which was September 30, 1996:

Asseted Value of Plan Assets	\$	<u>21,771,044</u>
Unfunded Pension Benefit Obligations	\$	<u>26,882,953</u>
1) Amount of the Annexer, Third Municipal District, Parish of Orleans, Current Year Covered Payroll	\$	<u>181,238</u>
Amount of the Annexer, Third Municipal District, Parish of Orleans, Current Year Total Payroll	\$	<u>296,221</u>

- 2) All full-time employees of the Annexer, 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.

**ASSESSORS
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTICE TO FINANCIAL STATEMENTS - Continued

December 31, 1996

NOTE C - PENSION PLAN - Continued

- 1) The Louisiana Assessor's Retirement Fund was created by provision of Act 91 of the 1980 Legislature, as amended, acts and including Act 256 of 1986 and required the following provisions:

The Assessor, Third Municipal District, Parish of Orleans, is required to contribute 4.99 % 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 1% from the salaries of the fulltime employees, which shall be remitted to the Louisiana Assessor's Retirement Fund.

C)	Employee actual contributions	3	11,762
	Employer actual contributions		12,658
	Total Contributions	3	<u>24,420</u>

The contributions are 12.98% of the total covered payroll.

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

**ANNEXURE
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 1996

NOTE C - PENSION PLAN - Continued

- 6) The Louisiana Annuor's Retirement System, a cost-sharing, multiple-employer plan, does not conduct separate measurements of its its and pension benefit obligations for individual employees. Also, membership data is not available for initial fiscal employees. 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	\$	60,000,000
Retirees, beneficiaries and terminated employees		<u>61,611,211</u>
Total pension benefit obligation	\$	<u>121,611,211</u>
Total net assets available for benefits	\$	<u>62,084,281</u>

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

NOTE D - COMMITMENTS AND CONTINGENCIES

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

ASSESSOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 1998

NOTE 8 - COMMITMENTS AND CONTINGENCIES - Continued

As of December 31, 1998, the only minimum rental commitments under the lease are as follows:

Year ending December 31,	Amount
1999	\$ 5,733
2000	861

The Assessor, Third Municipal District, Parish of Orleans, has a considerable operating lease as follows:

Terms	Annual Payment
120 Months	\$ 400

Rental expenditures for the year ended December 31, 1998 amounted to \$8,375.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
OR BASIC FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Assessee

Third Municipal District,
Parish of Orleans

I have audited the general purpose financial statements of the Assessee, Third Municipal District, Parish of Orleans, as of and for the year ended December 31, 1996, and have issued my report thereon dated May 8, 1997.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements.

The management of the Assessee, Third Municipal District, Parish of Orleans, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities, may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that new factors may become material because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of the Assessee, Third Municipal District, Parish of Orleans, for the year ended December 31, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide opinion on the internal control structure. Accordingly, I do not express such an opinion.

ANNEXURE
**THIRD MUNICIPAL DISTRICT
 PARKI OF ORLEANS**
**COMBINED BALANCE SHEET -
 ALL FUND TYPES AND ACCOUNT GROUPS**

December 31, 1998

	GOVERNMENTAL FUNELTY		FOUNDS	
	GENERAL FUND		FUND ASSETS	
			1998	1997
ASSETS				
Cash	\$ 65,118	\$ -	\$ 65,118	\$ 34,483
Accounts receivable	28	-	28	14
Fixed assets (Notes A4 and B)	—	68,121	68,121	65,359
Total assets	\$ 65,146	\$ 68,121	\$ 133,267	\$ 100,156
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts payable	\$ 9,317	\$ -	\$ 9,317	\$ 5,845
Payroll taxes payable	2,898	—	2,898	—
Total liabilities	9,317	-	9,317	5,845
Fixed Equity				
Investment in general fixed assets	-	68,121	68,121	65,359
Fund balance - undesignated	55,829	—	55,829	29,896
Total fixed equity	55,829	68,121	124,280	95,255
Total liabilities and fixed equity	\$ 65,146	\$ 68,121	\$ 133,267	\$ 100,156

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