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MEMBER  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS  
FINANCIAL STATEMENTS AND AUDITOR'S REPORT  
December 31, 1997

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 6/24/98

**ASSESSOR  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**TABLE OF CONTENTS**

|   | <b>PAGE</b> |
|---|-------------|
| <b>INDEPENDENT AUDITOR'S REPORT</b>   | <b>3</b>    |
| <b>COMBINED BALANCE SHEET - ALL FUND TYPES<br/>AND ACCOUNT GROUPS</b>   | <b>4</b>    |
| <b>STATEMENT OF REVENUE, EXPENDITURES AND CHANGES<br/>IN FUND BALANCE ALL GOVERNMENTAL FUND TYPES</b>   | <b>5</b>    |
| <b>NOTES TO FINANCIAL STATEMENTS</b>  | <b>6</b>    |
| <b>REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER<br/>FINANCIAL REPORTING BASED ON AN AGENT OF FINANCIAL<br/>STATEMENTS PERFORMED IN ACCORDANCE WITH<br/>GOVERNMENT AUDITING STANDARDS</b> | <b>10</b>   |

# John C. Todd, Jr., CPA, PC

A PROFESSIONAL ACCOUNTING CORPORATION  
4075 LAKE STREET      SUITE 400, LAKEVIEW TOWER  
TELEPHONE: (504) 837-9707

## INDEPENDENT AUDITORS' REPORT

Assessor  
Third Municipal District,  
Parish of Orleans

I have audited the accompanying general-purpose financial statements of the Assessor, Third Municipal District, Parish of Orleans, as of December 31, 1995, 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. 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 Assessor, Third Municipal District, Parish of Orleans, as of December 31, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated May 28, 1996 on my consideration of the Assessor, Third Municipal District, Parish of Orleans' internal control over financial reporting and my tests of its compliance with certain provisions of laws and regulations.



Metairie, Louisiana  
May 28, 1996

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

December 31, 1997

|                                    | GOVERNMENTAL | ACCOUNT     | TOTALS                |            |
|------------------------------------|--------------|-------------|-----------------------|------------|
|                                    | FUND TYPE    | GROUP       | (IN THOUSAND DOLLARS) |            |
|                                    | GENERAL FUND | FUND ASSETS | 1997                  | 1996       |
| <b>ASSETS</b>                      |              |             |                       |            |
| Cash                               | \$ 81,800    | \$ -        | \$ 81,800             | \$ 63,110  |
| Accounts receivable                | -            | -           | -                     | 28         |
| Fixed assets<br>(Notes A4 and B)   | -            | 71,018      | 71,018                | 68,110     |
| Total assets                       | \$ 81,800    | \$ 71,018   | \$ 152,818            | \$ 131,248 |
| <b>LIABILITIES AND FUND EQUITY</b> |              |             |                       |            |
| <b>Liabilities</b>                 |              |             |                       |            |
| Accounts payable                   | \$ 4,861     | \$ -        | \$ 4,861              | \$ 6,119   |
| Payroll taxes payable              | -            | -           | -                     | 2,998      |
| Total liabilities                  | 4,861        | -           | 4,861                 | 9,117      |
| <b>Fund Equity</b>                 |              |             |                       |            |
| Investment in general fund assets  | -            | 71,018      | 71,018                | 68,110     |
| Fund balance - undesignated        | 76,939       | -           | 76,939                | 55,849     |
| Total fund equity                  | 76,939       | 71,018      | 147,957               | 123,959    |
| Total liabilities and fund equity  | \$ 81,800    | \$ 71,018   | \$ 152,818            | \$ 131,248 |

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

**ASSESSOR  
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, 1997

|  | <u>GENERAL<br/>FUND</u> |
|--|-------------------------|
| <b>REVENUE</b>                             |                         |
| Intra-governmental revenue                 |                         |
| Board of assessors' allotment              | \$ 156,829              |
| Other revenue                              | <u>5,663</u>            |
| <b>TOTAL REVENUES</b>                      | 162,492                 |
| <b>EXPENDITURES</b>                        |                         |
| Current                                    |                         |
| Personnel services and related benefits    | 193,226                 |
| Travel                                     | 4,429                   |
| Operating expenses                         | 48,138                  |
| Materials and supplies                     | 3,712                   |
| Capital outlay                             | <u>2,882</u>            |
| <b>TOTAL EXPENDITURES</b>                  | 252,393                 |
| <b>EXCESS OF REVENUE OVER EXPENDITURES</b> | 11,099                  |
| Fund balance at beginning of year          | <u>33,849</u>           |
| Fund balance at end of year                | \$ <u>44,948</u>        |

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

ASSESSOR  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS

NOTES TO FINANCIAL STATEMENTS

December 31, 1997

**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 1874, there shall be seven assessors in New Orleans, who shall constitute 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 assessor's office, the Board of Assessors shall appoint an interim assessor for the unexpired term.

The assessor assesses all real and movable 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, account groups, activities, or costs, 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 issue financial statements separate from that of the parish assessor.

At December 31, 1997, the assessment rolls of the Assessor, Third Municipal District, Parish of Orleans consisted of real property assessments totaling \$91,991,889 and personal property assessments totaling \$458,094,623.

**2. Basis of Presentation**

The accompanying financial statement 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, 1997**

**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 aggregating 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 presented in the financial statements is described as follows:

**General Fund**

The General Fund, as provided by Louisiana Revised Statute 47:908, 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 means by which spending activities are controlled. Compensation received from the various taxing bodies, prescribed by law in Louisiana Revised Statutes 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 measurement focus. The governmental fund is accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on its balance sheet.

Equipment used in government 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 type when purchased. No depreciation has been provided on general fund assets. All fixed assets are valued at historical cost.

**ASSESSOR  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**NOTES TO FINANCIAL STATEMENTS - Continued**

**December 31, 1997**

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

**A. Basis of Accounting**

The accounting and financial reporting treatment applied in 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.

**B. 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 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 types, consequently this statement is not presented with the basic financial statements.

**C. 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 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, 1997**

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

**8. 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. Neither is such data comparable to a consolidation.

**9. 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 in 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<br><u>11/30/97</u> |    | Additions |    | Balance<br><u>12/31/97</u> |
|-------------------------------------|----------------------------|----|-----------|----|----------------------------|
| Computer software                   | \$ 2,485                   | \$ | 540       | \$ | 3,025                      |
| Equipment                           | 42,815                     |    | 2,380     |    | 45,195                     |
| Furniture and fixtures              | 17,839                     |    | -         |    | 17,839                     |
| Improvements other than<br>building | 5,681                      |    | —         |    | 5,681                      |
| Total fixed assets                  | \$ 68,819                  | \$ | 2,920     | \$ | 71,739                     |

**ASSESSOR  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**NOTES TO FINANCIAL STATEMENTS - Continued**

December 31, 1997

**NOTE C - 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 employer payroll deductions, a portion of the Assessor'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 Assessor's allotment are pooled within the system to fund assumed 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, 1997.

|  |   |                    |
|--|---|--------------------|
| <u>Actuarial Value of Plan Assets</u>  | 1 | <u>\$1,784,266</u> |
| <u>Unfunded Pension Benefit Obligation</u>   | 5 | <u>\$1,064,797</u> |
|  |   |                    |
| 1) Amount of the Assessor, Third Municipal District, Parish of Orleans, Current Year Covered Payroll | 1 | <u>211,266</u>     |
| Amount of the Assessor, Third Municipal District, Parish of Orleans, Current Year Total Payroll      | 1 | <u>211,211</u>     |

- 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 joint 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.

ASSESSOR  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS

NOTES TO FINANCIAL STATEMENTS - *Continued*

December 31, 1997

**NOTE C - PENSION PLAN - *Continued***

- 30) The Louisiana Assessor's Retirement Fund was created by provision of Act 91 of the 1959 Legislature, as amended, up to and including Act 234 of 1986 and required the following provisions:

The Assessor, Third Municipal District, Parish of Orleans, is required to contribute 3.75% 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.

|     |                               |          |                      |
|-----|-------------------------------|----------|----------------------|
| 44) | Employee actual contributions | F        | 14,164               |
|     | Employer actual contributions |          | <u>11,782</u>        |
|     | <b>Total Contributions</b>    | <b>F</b> | <b><u>25,946</u></b> |

The contributions are 13.7% of the total covered payroll.

- 51) The assumptions used for valuation were the same as those utilized for the prior year except for a reworking 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, 1997

**NOTE C - PENSION PLAN - Continued**

- 4) 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                                   | \$ | 104,678,120        |
| Retirees, beneficiaries and terminated employees |    | <u>12,671,586</u>  |
| Total pension benefit obligation                 | \$ | <u>117,349,706</u> |
| Total net assets available for benefits          | \$ | <u>12,971,621</u>  |

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

**NOTE D - COMMITMENTS AND CONTINGENCIES**

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

ANNEX  
THIRD MUNICIPAL DISTRICT  
PARISH OF ORLEANS

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 1997

NOTE D - COMMITMENTS AND CONTINGENCIES - Continued

As of December 31, 1997, future minimum rental commitments under the lease are as follows:

| Year ending<br>December 31, | Amount |
|-----------------------------|--------|
| 1998                        | \$ 661 |

The Annex, Third Municipal District, Parish of Orleans, has a cancellable operating lease as follows:

| <u>Term</u> | <u>Annual Payment</u> |
|-------------|-----------------------|
| 120 Months  | \$ 600                |

Rental expenditures for the year ended December 31, 1997 amounted to \$5,412.

# John C. Todd, Jr., C.P.A., PC

A PROFESSIONAL ACCOUNTING CORPORATION  
401 LAKE STREET  
NEW ARL, VIRGINIA 22091  
TELEPHONE (703) 546-6600

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF 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, 1997, and have issued my report thereon dated May 28, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether the Assessee, Third Municipal District, Parish of Orleans' financial statements are free of material misstatements, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### **Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the Assessee, Third Municipal District, Parish of Orleans' internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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

A handwritten signature in cursive script that reads "J. C. Dine, Jr., CPA". The signature is written in black ink and is positioned to the right of the main text block.

Metairie, Louisiana

May 28, 1998