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**ASSESSOR
FIRST MUNICIPAL DISTRICT
PARISH OF ORLEANS**

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

December 31, 1998

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 7-14-99

**ASSESSOR
FIRST MUNICIPAL DISTRICT
PARISH OF ORLEANS**

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INDEPENDENT AUDITOR'S REPORT

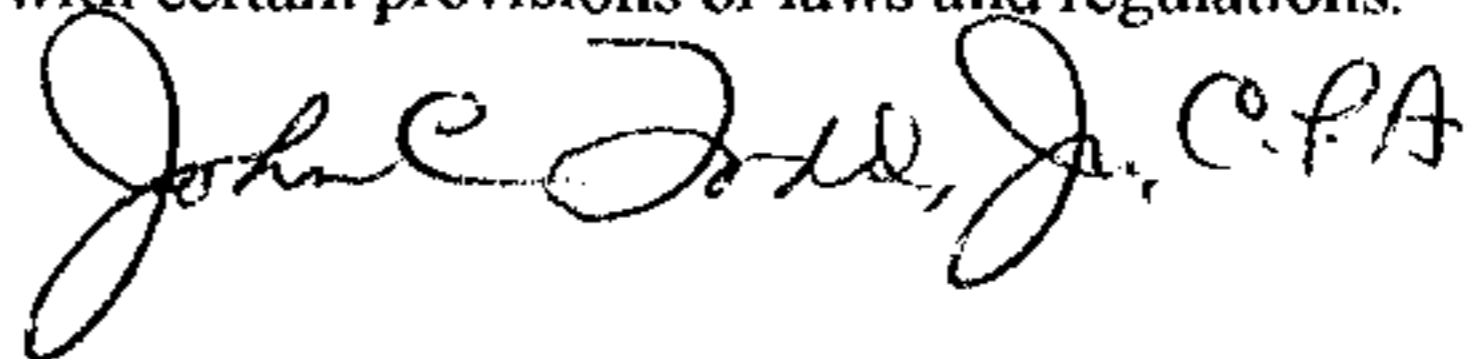
Assessor
First Municipal District,
Parish of Orleans

I have audited the accompanying general purpose financial statements of the Assessor, First Municipal District, Parish of Orleans, as of December 31, 1998, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Assessor, First 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. 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 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, First Municipal District, Parish of Orleans, as of December 31, 1998, 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 June 10, 1999 on my consideration of the Assessor, First Municipal District, Parish of Orleans' internal control over financial reporting and my tests of its compliance with certain provisions of laws and regulations.



New Orleans, Louisiana
June 10, 1999

**ASSESSOR
FIRST MUNICIPAL DISTRICT
PARISH OF ORLEANS**

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

December 31, 1998

| | GOVERNMENTAL FUND TYPE | ACCOUNT GROUP | TOTALS (MEMORANDUM ONLY) | |
|--|-----------------------------------|--------------------------|-------------------------------------|------------------|
| | GENERAL FUND | FIXED ASSETS | 1998 | 1997 |
| ASSETS | | | | |
| Cash (including certificates of deposit of \$23,553) (Notes A10 and B) | \$ 124,070 | \$ - | \$ 124,070 | \$ 27,325 |
| Fixed assets (Notes A4 and C) | - | 22,776 | 22,776 | 22,776 |
| Total assets | <u>\$ 124,070</u> | <u>\$ 22,776</u> | <u>\$ 146,846</u> | <u>\$ 50,101</u> |
| LIABILITIES AND FUND EQUITY | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 93,211 | \$ - | \$ 93,211 | \$ 3,691 |
| Payroll taxes payable | 1,367 | - | 1,367 | 1,478 |
| Total liabilities | 94,578 | - | 94,578 | 5,169 |
| Fund Equity | | | | |
| Investment in general fixed assets | - | 22,776 | 22,776 | 22,776 |
| Fund balance – undesignated | 29,492 | - | 29,492 | 22,156 |
| Total fund equity | <u>29,492</u> | <u>22,776</u> | <u>52,268</u> | <u>44,932</u> |
| Total liabilities and fund equity | <u>\$ 124,070</u> | <u>\$ 22,776</u> | <u>\$ 146,846</u> | <u>\$ 50,101</u> |

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

**ASSESSOR
FIRST MUNICIPAL DISTRICT
PARISH OF ORLEANS**

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

For the year ended December 31, 1998

| | <u>GENERAL FUND</u> |
|--|----------------------------|
| REVENUE | |
| Intergovernmental revenue | |
| Board of Assessors | |
| Allotment | \$ 144,602 |
| Revenue sharing | 9,457 |
| Document transfer fees | 11,950 |
| Interest income | 1,023 |
| Other income | <u>473</u> |
| TOTAL REVENUES | 167,505 |
| EXPEDITURES | |
| Current | |
| Personal services and related benefits | 118,378 |
| Travel | 3,711 |
| Operating expenses | 36,051 |
| Materials and supplies | <u>2,029</u> |
| TOTAL EXPENDITURES | <u>160,169</u> |
| EXCESS OF REVENUE OVER EXPENDITURES | 7,336 |
| Fund balance, beginning of year | <u>22,156</u> |
| Fund balance, end of year | <u>\$ 29,492</u> |

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

**ASSESSOR
FIRST MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS

December 31, 1998

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

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

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

At December 31, 1998, the assessment roles of the Assessor, First Municipal District, Parish of Orleans consisted of real property assessments totaling \$258,387,730 and personal property assessments totaling \$176,901,211.

2. Basis of Presentation

The accompanying financial statements of the Assessor, First Municipal District, Parish of Orleans, have been prepared in conformity with generally accepted accounting principles (GAPP) 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
FIRST MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1998

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Fund Accounting

The accounts of the Assessor, First Municipal District, Parish of Orleans, are organized on the basis of a fund and an 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 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 47:1906, is the principal operating fund of the Assessor, First 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 formula in Louisiana Revised Statutes 47:1907-1908 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 sheets.

Equipment used in government fund type operations are accounted for in the General Fixed 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 fixed assets. All fixed assets are valued at historical cost.

**ASSESSOR
FIRST MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS- CONTINUED

December 31, 1998

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. 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.

6. 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, First Municipal District, Parish of Orleans. Since the Board of Assessors legally adopts a budget, the Assessor, First Municipal District, Parish of Orleans, is not required to follow the legal budgetary practices of public notice, participation and inspections. When a budget is not adopted, generally accepted accounting principles does not require the presentation of the statement of revenues, expenditures, and changes in fund balances – budget and actual – all governmental fund types, consequently this statement is not presented with the basic financial statements.

7. Assessor's Salary and Personal Allowances

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

8. Total Columns of Combined Statements - Overview

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns does 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.

**ASSESSOR
FIRST MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS- CONTINUED

December 31, 1998

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. Vacation and Sick Leave

The employees of the Assessor, First Municipal District, Parish of Orleans, earn ten (10) vacation days upon completion of one (1) full year of employment. Upon five (5) full years of employment and up to fifteen (15) full years of employment, employees earn fifteen (15) vacation days. Employees with more than fifteen (15) full years of employment earn twenty (20) vacation days. Vacation leave not taken 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 is earned at the rate of one-half (1/2) day for each month of employment. Sick leave may be accumulated indefinitely by the employees. 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 financial statement. Vacation and sick pay expenditure are charged to operations when taken by employees of the Assessor, First Municipal District, Parish of Orleans.

10. Cash and Cash equivalents

Cash and cash equivalents include cash and deposits with original maturities of 90 days or less. 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 office in Louisiana and may invest in United States bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days.

NOTE B – CASH DEPOSITS

Cash deposits of the Assessor, First Municipal District, Parish of Orleans are not fully collateralized. A categorization indicating the level of risk at year end follows:

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

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

Category III – Uncollateralized

| | <u>Bank Balance</u> | <u>Category</u> | | |
|--------------------------|--------------------------------|--------------------------|--------------------|------------------------|
| | | 1 | 2 | 3 |
| Cash Deposits | \$ 102,166 | \$ 100,000 | \$ - | \$ 2,166 |
| Certificates of Deposits | <u>23,553</u> | <u>23,553</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 125,719</u> | <u>\$ 123,553</u> | <u>\$ -</u> | <u>\$ 2,166</u> |

**ASSESSOR
FIRST MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS- CONTINUED

December 31, 1998

NOTE C – GENERAL FIXED ASSETS – ACCOUNT GROUP

A summary of changes in general fixed assets follows:

| | <u>Balance 01/01/98</u> | <u>Additions</u> | <u>Balance 12/31/98</u> |
|-------------------------|-----------------------------|------------------|-----------------------------|
| Furniture and equipment | <u>\$ 22,776</u> | <u>\$ -</u> | <u>\$ 22,776</u> |

NOTE D – PENSION PLAN

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

The retirement system is a state-wide defined benefit multiple employer public retirement system. The system is administered and controlled by a separate board of trustees, with contribution rates approved by the Louisiana Legislature. Contributions of participants and the Board's allotment are pooled within the system to fund accrued benefits. The Assessor, First 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, 1998:

| | |
|--|----------------------|
| <u>Actuarial Value of Plan Assets</u> | <u>\$ 91,984,065</u> |
| <u>Unfunded Pension Benefit Obligation</u> | <u>\$ 34,037,823</u> |
| 1) Amount of the Assessor, First Municipal District, Parish of Orleans, Current Year Covered Payroll | <u>\$ 83,480</u> |
| Amount of the Assessor, First Municipal District, Parish of Orleans, Current Year Total Payroll | <u>\$ 97,219</u> |

- 2) All full time employees of the Assessor, First 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.

**ASSESSOR
FIRST MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS- CONTINUED

December 31, 1998

NOTE D – PENSION PLAN - CONTINUED

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

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

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

| | | | |
|----|-------------------------------|----|---------------|
| 4) | Employee actual contributions | \$ | 5,767 |
| | Employer actual contributions | \$ | <u>4,737</u> |
| | Total Contributions | \$ | <u>10,504</u> |

The contributions are 12.6% of the total covered payroll.

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

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

| | | |
|--|----|--------------------|
| Active Members | \$ | 111,361,621 |
| Retirees, beneficiaries and terminated employees | | <u>51,171,490</u> |
| Total pension benefit obligation | \$ | <u>162,533,111</u> |
| Total net assets available for benefits | \$ | <u>96,114,200</u> |

**ASSESSOR
FIRST MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS- CONTINUED

December 31, 1998

NOTE D – PENSION PLAN - CONTINUED

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

NOTE E – COMMITMENTS AND CONTINGENCIES

The Assessor, First Municipal District, Parish of Orleans, leases an automobile. The lease is considered for accounting purposes to be a non-cancellable operating lease. Rental expenses for the year ended December 31, 1998 totaled \$6,543.

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

Lease Commitment

| <u>Year ending December 31,</u> | <u>Amount</u> |
|---------------------------------|------------------|
| 1999 | \$ 5,675 |
| 2000 | 5,675 |
| 2001 | <u>1,891</u> |
| | <u>\$ 13,241</u> |

Year 2000 – Computer Systems

The Year 2000 issue relates to limitations in computer systems and applications that may prevent proper recognition of the Year 2000. The potential effect of the Year 2000 issue on the Assessor, First District, Parish of Orleans will not be fully determinable until the Year 2000 and thereafter. If Year 2000 modifications are not properly completed either by the Assessor, First District, Parish of Orleans or entities with which the Assessor, First District, Parish of Orleans conducts business, the Assessor, First District, Parish of Orleans' revenues and financial condition would be adversely impacted.

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

Assessor
First Municipal District,
Parish of Orleans

I have audited the general-purpose financial statements of the Assessor, First Municipal District, Parish of Orleans, as of and for the year ended December 31, 1998, and have issued my report thereon dated June 10, 1999, 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

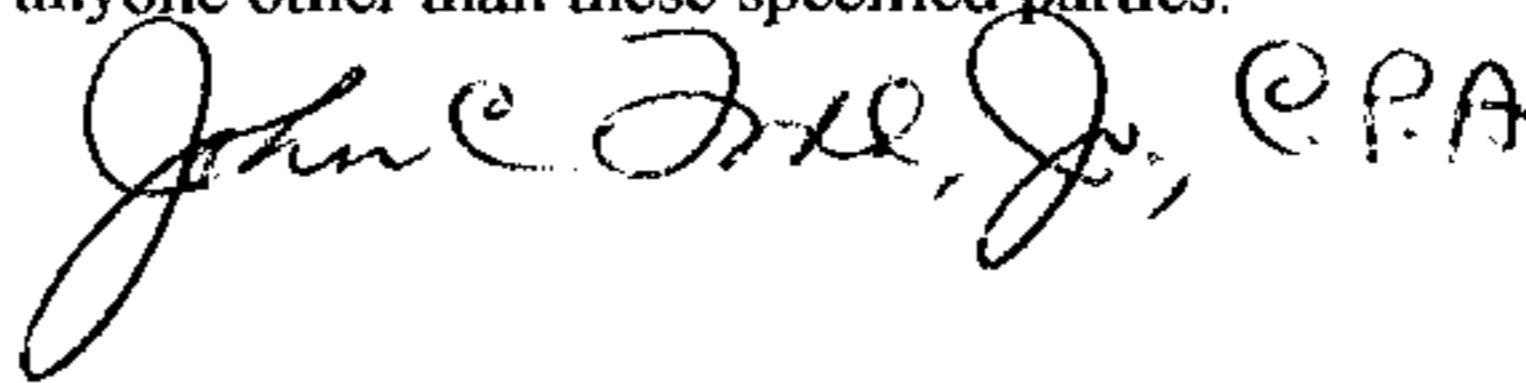
As part of obtaining reasonable assurance about whether the Assessor, First Municipal District, Parish of Orleans' financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct 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 Assessor, First 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 and is not intended to be and should not be used by anyone other than these specified parties.

New Orleans, Louisiana
June 10, 1999



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MEMBER

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