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**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS**

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10-16-04

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INDEPENDENT AUDITORS' REPORT

To the Honorable Darren Mire
First Municipal District Assessor
Parish of Orleans
New Orleans, Louisiana

We have audited the accompanying financial statements of the **First Municipal District Assessor, Parish of Orleans (the Assessor)** as of and for the year ended December 31, 2003, as listed in the Table of Contents. These financial statements are the responsibility of **the Assessor's** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **the Assessor** as of December 31, 2003, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Honorable Darren Mire
First Municipal District Assessor
Parish of Orleans
New Orleans, Louisiana
Page 2

As described in NOTE 2, the Assessor adopted the provisions of the Government Auditing Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended by GASB Statement No. 37, Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments and GASB Statement No. 38, Certain Financial Statements Note Disclosures, as of January 1, 2003.

In accordance with Government Auditing Standards, we have also issued our report dated February 27, 2004 on our consideration of the Assessor's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on page 3 to 7 and budgetary comparison on page 30 are not required as part of the basic financial statements but are supplementary information required by GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

February 27, 2004

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003**

First Municipal District Assessor, Parish of Orleans' (the Assessor) management discussion and analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of **the Assessor's** financial activity, and identify changes in **the Assessor's** financial position and its ability to address the next and subsequent year challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" and is intended to provide the financial results for the fiscal year ending December 31, 2003.

This is the first year of GASB 34 implementation. As a result the financial report is presented very differently than previous years. The following is an illustration on how this financial report is presented.

MD&A
Management's Discussion and Analysis
(required and supplementary information – new)

Basic Financial Statements
Government-Wide Financial Statements

Fund Financial Statements
(refocused)

Notes to the financial statements
(expanded/restructured)

Other required Supplementary Information
Required supplementary information
(other than MD&A expanded)

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003**

As indicated in the illustration, GASB 34 requires the presentation of two basic types of financial statements: Government-Wide Financial Statements and Fund Financial Statements.

Government-Wide Financial Statements

The government-wide financial statements are new and provide a perspective of **the Assessor** as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two government-wide statements: the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets, for the first time, combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

Consistent with the full accrual basis method of accounting, the Statement of Activities accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various services.

Fund Financial Statements

The fund statements are similar to financial presentations of years past, but the new focus is on **the Assessor's** major funds rather than fund types as in the past. The two account groups: General Fixed Assets and General Long-term Debt are no longer reported. Consistent with previous years, the fund statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used. In addition, capital asset purchases are expensed and not recorded as assets. Debt payments are recorded as expenditures in the current year and future debt obligations are not recorded.

The General Fund is the only fund of **the Assessor**. The General Fund is used primarily to account for the general operations. Its revenues are derived from allotments and revenue sharing received from the Board of Assessor, Parish of Orleans (the Board).

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003**

Financial Analysis of the Assessor

Summary of Net Assets (Deficit)

Assets		
Current assets		<u>\$ 24,583</u>
Capital assets		27,731
Less accumulated depreciation		<u>(21,817)</u>
Capital assets, net book value		<u>5,914</u>
Total assets		<u>30,497</u>
Liabilities		
Current liabilities		<u>36,840</u>
Total liabilities		<u>36,840</u>
Net Assets (Deficit)		
Invested in capital assets		5,914
Unrestricted		<u>(12,257)</u>
Total net assets (deficit)		<u>\$ (6,343)</u>

As indicated by the statement above, total net assets (deficit) are \$(6,343). Net assets (deficit) can be separated into two categories: invested in capital assets and unrestricted net assets.

Invested in capital assets is a combination of capital assets at original cost less accumulated depreciation. The original cost of capital assets is \$27,731, which is an accumulation of capital assets year after year less any capital disposals. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with accounting principles generally accepted in the United States of America, depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation is \$21,817.

The remaining \$(12,257) in net assets (deficit) is unrestricted. The unrestricted net assets (deficit) are an accumulation of prior years' operating results. This balance is directly affected each year by the Assessor's operating results.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003**

Results of Operations

General Revenues

Intergovernmental revenues- Board of Assessors	\$300,164
Interest income	66
Other income	<u>290</u>
 Total general revenues	 <u>300,520</u>

Expenses

Personal services and related benefits	244,287
Operating services	<u>44,425</u>
 Total expenses	 <u>288,712</u>
 Increase in net assets	 <u>\$ 11,808</u>

GASB 34 requires year over year comparisons, but since this is the first year of GASB 34 no comparison is required. This statement will have revenue and expense comparisons beginning in fiscal year 2003.

As indicated above, net assets increased \$11,808. The prior year net assets (deficit) balance of \$(18,151) was reduced by this increase.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2003, the Assessor had \$27,731 invested in furniture, fixtures and equipment.

Assets	<u>2003</u>	<u>2002</u>
Furniture, fixtures and equipment	\$27,731	\$27,731
Less accumulated depreciation	<u>(21,817)</u>	<u>(19,701)</u>
 Net capital assets	 <u>\$ 5,914</u>	 <u>\$ 8,030</u>

Depreciation expense for the year is \$2,116.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003**

Economic Factors and Next Year's Budget

The major factor affecting the budget is the revenues received from the Board of Assessors, which includes the district allotment, document transfer fees, revenue sharing and on-behalf payments.

Original vs. Revised Budget

As required by state law, the Assessor adopts the original budget for the office prior to the commencement of the fiscal year to which the budget applies.

The Assessor did not amend its original budget during the 2003 fiscal year

Revenue Budget

The Assessor's actual general fund revenues of \$300,520 were more than the budget by \$44,255, a variance of 17%. This variance was created by earned document transfer fees and on-behalf payments in excess of budgeted amounts.

Increase in Expenditure Budget

The Assessor's actual general fund expenditures of \$286,596 were more than the budget by about 12%. This variance is primarily due to salaries and wages expenditures exceeding related budgeted amounts.

Contacting the Assessor's Financial Management

This financial report is designed to provide a general overview of the Assessor's finances for all those who have interest in the Assessor's finances. If you have questions about this report or need additional information, contact Mr. Darren G. Mire, Assessor, at Room 4E01 City Hall, New Orleans, Louisiana 70112.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
STATEMENT OF NET ASSETS
DECEMBER 31, 2003**

ASSETS

**GOVERNMENTAL
ACTIVITIES**

Current Assets:

Cash and cash equivalents (NOTES 2 AND 3)	\$ 3,210
Investments (NOTE 11)	10,066
Due from Board of Assessors	5,957
Due from others (NOTE 9)	<u>5,350</u>

Total current assets	<u>24,583</u>
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Capital assets (NOTE 4)	<u>5,914</u>
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Total assets	<u>30,497</u>
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LIABILITIES

Accounts payable	<u>36,840</u>
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Total liabilities	<u>36,840</u>
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NET ASSETS (DEFICIT)

Invested in capital assets	5,914
Unrestricted	<u>(12,257)</u>

Total net assets (deficit)	<u>\$ (6,343)</u>
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The accompanying notes are an integral part of these financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	GOVERNMENTAL ACTIVITIES
EXPENSES	
Personal Services and Related Benefits:	
Salaries and wages	\$102,345
On-behalf payments for Assessor	107,768
Hospitalization insurance	15,963
Retirement	14,319
Payroll taxes	<u>3,892</u>
Total personal services and related benefits	<u>244,287</u>
Operating Services:	
Legal fees	8,001
Office supplies and expenses	2,020
Assessor's personal expense allowance	8,411
Automobile lease (NOTE 6)	4,777
Accounting and auditing	8,038
Automobile expense	2,656
Dues and subscriptions	1,778
Depreciation	2,116
Other expense	673
Travel and other charges - meetings/conferences	<u>5,955</u>
Total operating services	<u>44,425</u>
Total expenses	<u>288,712</u>
GENERAL REVENUES	
Intergovernmental revenues - Board of Assessors:	
District allotment	134,943
Document transfer fees	42,226
Revenue sharing	10,000
On-behalf payments	107,768
Reimbursements	5,227
Interest income	66
Other income	<u>290</u>
Total revenues	<u>300,520</u>
Change in net assets	11,808
Net assets (deficit), beginning of year as restated (NOTE 10)	<u>(18,151)</u>
Net assets (deficit), end of year	<u>\$ (6,343)</u>

The accompanying notes are an integral part of these financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
BALANCE SHEET - GOVERNMENTAL FUND
DECEMBER 31, 2003**

GENERAL FUND

ASSETS

Cash (NOTES 2 AND 3)	\$ 3,210
Investments	10,066
Due from Board of Assessors	5,957
Due from others (NOTE 9)	<u>5,350</u>
 Total assets	 <u>\$ 24,583</u>

LIABILITIES AND FUND BALANCE (DEFICIT)

Liabilities:	
Accounts payable	\$ <u>36,840</u>
 Total liabilities	 <u>36,840</u>
 Fund Balance (Deficit):	
Unreserved - undesignated	<u>(12,257)</u>
 Total fund balance (deficit)	 <u>(12,257)</u>
 Total liabilities and fund balance (deficit)	 <u>\$ 24,583</u>

The accompanying notes are an integral part of these financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
RECONCILIATION OF THE BALANCE SHEET-
GOVERNMENTAL FUND TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2003**

Total fund balance (deficit) - Governmental Fund		\$(12,257)
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p> <p style="padding-left: 20px;">Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund (NOTE 4):</p>		
The cost of capital assets is	\$ 27,731	
Accumulated depreciation is	<u>(21,817)</u>	<u>5,914</u>
Net assets (deficit) of governmental activities		\$ <u>(6,343)</u>

The accompanying notes are an integral part of these financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE (DEFICIT)--GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

GENERAL FUND

REVENUES

Intergovernmental revenues - Board of Assessors:

District Allotment	\$134,943
Document transfer fees	42,226
Revenue sharing	10,000
On-behalf payments	107,768
Reimbursements	5,227
Interest income	66
Other income	<u>290</u>

Total revenues 300,520

EXPENDITURES

Personal services and related benefits:

Salaries and wages	102,345
On-behalf payments for Assessor	107,768
Hospitalization insurance	15,963
Retirement	14,319
Payroll taxes	<u>3,892</u>

Total personal services and related benefits 244,287

Operating services:

Legal fees	8,001
Office supplies and expenses	2,020
Assessor's personal expense allowance	8,411
Automobile lease	4,777
Accounting and auditing	8,038
Automobile expense	2,656
Dues and subscriptions	1,778
Other expense	673
Travel and other charges - meetings/conferences	<u>5,955</u>

Total operating services 42,309

Total expenditures 286,596

Net change in fund balance (deficit) 13,924

Fund balance (deficit), beginning of year, as restated (NOTE 10) (26,181)

Fund balance (deficit), end of year \$(12,257)

The accompanying notes are an integral part of these financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (DEFICIT)--GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003**

Total net change in fund balance (deficit)--Governmental Fund	\$13,924
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Amounts reported for governmental activities in
the Statement of Net Assets are different because:

The Governmental Fund reported capital outlays as
expenditures whereas in the Statement of Activities,
these cost are depreciated over their estimated lives:

Depreciation expense	<u>(2,116)</u>
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Change in net assets of governmental activities	<u>\$11,808</u>
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The accompanying notes are an integral part of these financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - Introduction:

The **First Municipal District Assessor, Parish of Orleans (the Assessor)**, is an independently elected official and is one of seven (7) assessors for Orleans Parish. There are seven (7) municipal districts with an independently elected assessor for each district. All assessor offices are located on the 4th floor of the Orleans Parish City Hall, 1300 Perdido Street. Louisiana Revised Statute (R.S.) 47:1909 states that the governing authority of the City of New Orleans shall provide suitable rooms in the City Hall for the use of the assessor of each municipal district and for the Board of Assessors. Therefore, the upkeep and maintenance costs of the assessors' offices are not included in the accompanying general purpose financial statements.

The Board of Assessor, Parish of Orleans (the Board), comprised of the seven Orleans Parish assessors, is the administrative body for the Orleans Parish assessors and their seven (7) municipal districts. R.S. 47:1909 provides that the assessors elected in the Parish of Orleans shall constitute a Board of Assessors for the parish and each assessor shall independently exercise his functions in the assessing and listing of the property in and for his respective district within the Parish.

The Board's primary revenue is ad valorem taxes collected by the New Orleans Department of Finance - Bureau of Treasury (City Tax Collector) from the assessment tax rolls of the Parish. The seven (7) Orleans Parish assessors receive an allotment from the Board on a pro-rata basis for operation of their offices. The remaining funds of the Board are used to pay the Assessors' salaries and fringe benefits and administrative expenses of the Board.

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 the efficient operation of the office and to provide assistance to the 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. **The Assessor** has four employees.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Introduction, Continued:

The Assessor completes an assessment listing by August 1st of the tax year and submits the list to the parish governing authority, as prescribed by law. Once the assessment listing is approved/certified by the Louisiana Tax Commission, the assessment roll is submitted to the City Tax Collector, who is responsible for the collection and distribution of taxes to the various taxing bodies.

The election for the First Municipal District Assessor is held every four years in the month of February and the elected assessor takes office on the first Monday in May. The current assessor's term began on May 6, 2002.

NOTE 2 - Summary of Significant Accounting Policies:

Basis of Presentation

The accompanying financial statements of **the Assessor** have been prepared in conformity with accounting principles generally accepted in the United States of America 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.

Implementation of GASB Statements

During the fiscal year 2003, **the Assessor** adopted GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis- for State and Local Governments, as amended by GASB Statement No. 37 and No. 38, and applied those standards on a retroactive basis. GASB Statement No. 34 established standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into the following three net asset categories.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Implementation of GASB Statements, Continued

Invested in Capital Assets - consists of capital assets, net of accumulated depreciation.

Restricted Net Assets - result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributions, and the like, or imposed by law through constitutional provisions or enabling legislation. At December 31, 2003 the Assessor had no restricted net assets.

Unrestricted Net Assets - consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets often are designated to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources which are imposed by management, but can be removed or modified.

The Statement of Activities - demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenue.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Reporting Entity

The Assessor is a separate governmental reporting entity. The Board determined that they were a separate governmental reporting entity and that each assessor of the Parish of Orleans was a separate governmental reporting entity. Therefore, for financial reporting purposes, **the Assessor** includes all funds and account groups 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 general purpose financial statements.

Fund Accounting

The Assessor uses a fund (General Fund) 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. On the other hand, 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.

The fund of **the Assessor** is classified as a governmental fund (General Fund), which accounts for **the Assessor's** general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets.

The General Fund, as provided by R.S. 47:1906, is the principal operating fund of **the Assessor** and accounts for the operation of **the Assessor's** office.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Basis of Accounting/Measurement Focus

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of **the Assessor**.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements (FFS)

Governmental funds are 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 statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e. revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the governmental-wide statements and the statements for governmental funds are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Basis of Accounting/Measurement Focus, Continued

Fund Financial Statements (FFS), Continued

FFS report detailed information about **the Assessor**. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. At December 31, 2003, the general fund is the only major fund of **the Assessor**.

The General Fund is maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. **The Assessor** uses the following practices in recording revenues and expenditures.

Revenues

District allotments and revenue sharing are recorded in the year they are due and payable. Document transfer fees and legal fees reimbursed are recorded as revenues when received. Interest income on time deposits is recorded when the time deposits have matured.

Expenditures

Expenditures are recognized in the accounting period in which the liability is incurred.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Budgetary Accounting

Louisiana law (R.S. 1305 and 1309) requires **the Assessor** to prepare and adopt a budget for the General Fund before the beginning of the ensuing fiscal year. The budget is prepared based on the prior year's actual revenues and expenditures, along with any financial forecasting that may be necessary.

Any unused appropriations for budgeted funds lapse at year end. **The Assessor** has sole governing authority to amend the budget. Encumbrance accounting is not employed as a management control device. Unexpected appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance. Budget amounts included in the accompanying financial statements reflect the originally adopted budget and all subsequent amendments.

On-Behalf Payments for Fringe Benefits and Salaries

On-behalf payments for fringe benefits and salaries totaled \$107,768 for the year. **The Assessor's** salary of \$87,740 was paid directly to **the Assessor** from the Board. In addition, the Board paid fringe benefits, which includes pension plan contributions and health insurance premiums, totaling \$20,028 on behalf of **the Assessor**. On-behalf payments are reported as revenues (on-behalf payments) and expenditures (personal services and related benefits) in the financial statements.

Certain operating expenditures of **the Assessor's** office are paid by the City of New Orleans and are not included in the accompanying financial statements. These operating expenditures include office space, utilities, telephones, and janitorial services.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and time certificates of deposit with original maturities of 90 days or less. Under state laws, **the Assessor** may deposit funds in demand deposits, interest-bearing demand deposits, or time certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Capital Assets

Capital assets are valued at historical cost (at the time purchased), or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value on the date received.

Leave

The Assessor has the following policy relating to vacation and sick leave:

Employees earn 10 days of vacation leave upon completion of one year of employment. Upon five years of employment and up to 15 years of employment, employees earn 15 days of vacation leave. Employees with more than 15 years of employment earn 20 days of vacation leave. Vacation leave not taken/used at the end of the year is not carried over the following year. Therefore, a liability for unused vacation leave at December 31, 2003 is not recorded in the financial statements.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Leave, Continued

Employees earn sick leave at the rate of one-half day for each month of employment. Employees may accumulate sick leave indefinitely. Unused sick leave can be taken only in the event of illness and is not convertible to pay upon termination of employment or retirement. Therefore, a liability for unused sick leave at December 31, 2003, is not recorded in the financial statements.

Vacation and sick pay expenditures are charged to operations when incurred.

Estimates

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

NOTE 3 - Cash and Cash Equivalents:

At December 31, 2003, the Assessor has cash and cash equivalents (book balances) totaling \$3,210.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Cash and Cash Equivalents, Continued:

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balance) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of any pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2003, the Assessor has \$4,804 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance (GASB Category 1).

NOTE 4 - Capital Assets:

Capital assets and depreciation activity as of and for the year ended December 31, 2003 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Assets</u>				
Furniture, fixtures and equipment	\$27,731	\$ -0-	\$-0-	\$ 27,731
<u>Accumulated Depreciation</u>				
Furniture, fixtures and equipment	(19,701)	(2,116)	-0-	(21,817)
Net capital assets	<u>\$ 8,030</u>	<u>\$(2,116)</u>	<u>\$-0-</u>	<u>\$ 5,914</u>

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 5 - Pension Plan:

Plan Description

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

All full-time employees that are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3.33% of their highest monthly average final compensation received during any 36 consecutive months while employed times the number of years of the member's creditable service not to exceed 100% of their monthly average final compensation, after taking into account the reduction arising from any optional retirement selected.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 14699, Baton Rouge, Louisiana 70898, or by calling (225) 928-8886.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 5 - Pension Plan, Continued:

Funding Policy

Plan members are required by state statute to contribute 8.0% of their annual covered salary and **the Assessor** is required to contribute at an actuarially determined rate. The current rate is 3.5% of annual covered payroll. Contributions to the System also include one-fourth of 1% (1% for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and **the Assessor** are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. **The Assessor's** contributions (excluding the contributions made by the Board on-behalf of the Assessor) to the System for the years ended December 31, 2003, 2002 and 2001, were \$14,319, \$10,063 and \$5,444, respectively equal to the required contributions for each year.

NOTE 6 - Lease Commitment:

The Assessor leases an automobile that is accounted for as an operating lease. On December 10, 2002, **the Assessor** entered into a lease agreement, which is for forty-eight (48) monthly payments of \$398, beginning January 10, 2003 and ending on December 10, 2006. For the year ended December 31, 2003, automobile lease expenditures/expenses totaled \$4,777.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 6 - Lease Commitment, Continued:

At December 31, 2003, the future minimum annual commitments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2004	\$ 4,776
2005	4,776
2006	<u>4,776</u>
Total	<u>\$14,328</u>

NOTE 7 - Risk Management:

The Assessor is exposed to various risks of loss related to limited torts, theft of, damage to and destruction of assets; errors and omissions and natural disasters for which **the Assessor** is covered by commercial insurance.

NOTE 8 - Contingency Litigation:

The Assessor has been a defendant in lawsuits arising principally in the normal course of operations. At December 31, 2003 and through February 27, 2004, no outstanding lawsuits existed against **the Assessor**.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 9 - Due from Others:

The prior Assessor was paid the total annual expense allowance of \$8,025, however, the prior Assessor's term expired on May 3, 2002 and the amount of the expense allowance which would have been earned from such date to December 31, 2002 of \$5,350 should be returned to the Assessor's office. At December 31, 2003 this amount remains unpaid.

NOTE 10 - Changes in Accounting Policy and Prior Period Adjustments:

The Assessor implemented GASB 34 for the fiscal year ended December 31, 2003. In the prior years, legal expenses were incorrectly accrued. The following adjustments were made in order to properly state beginning net assets (deficit) of the government-wide financial statements and beginning fund deficit at December 31, 2002.

Restatement of beginning net assets for governmental funds is as follows:

Fund balance (deficit) at December 31, 2002, as previously reported	\$(100,127)
Prior period adjustment:	
Adjustment to correct accrued legal expenses	73,946
GASB Statement No. 34 adjustments:	
Balance of capital assets acquired at December 31, 2002	27,731
Accumulated depreciation at December 31, 2002	<u>(19,701)</u>
Net assets (deficit) at January 1, 2003, as restated	<u>\$(18,151)</u>

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 10 - Changes in Accounting Policy and Prior Period Adjustments, Continued:

Restatement of beginning fund balance (deficit) for the year ended December 31, 2003 is as follows:

Fund balance (deficit) at December 31, 2002	\$ (100,127)
To correct prior year accrued legal expenses	<u>73,946</u>
Fund balance (deficit) at January 1, 2003, as restated	\$ <u>(26,181)</u>

NOTE 11 - Investments:

Investment held at December 31, 2003 consist of \$10,066 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at December 31, 2003 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in a pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest, in accordance with LAS-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Investments, Continued:

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LAS-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

NOTE 12 - Fund Balance (Deficit):

The General Fund has a fund balance (deficit) of \$(12,257) as of December 31, 2003. The Assessor is planning to eliminate the deficit within 2-to-3 years. Reduction in expenditures are anticipated in the General Fund.

SUPPLEMENTARY INFORMATION

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues - Board of Assessors:			
District Allotment	\$ 134,943	\$ 134,943	\$ -0-
Appropriate from Orleans Board of Assessors	486	-0-	(486)
Document transfer fees	32,115	42,226	10,111
Revenue sharing	10,000	10,000	-0-
On-behalf payments	75,000	107,768	32,768
Reimbursement	3,620	5,227	1,607
Interest income	97	66	(31)
Other income	4	290	286
	<u>256,265</u>	<u>300,520</u>	<u>44,255</u>
Total revenues			
EXPENDITURES			
Personal services and related benefits:			
Salaries and wages	89,932	102,345	(12,413)
On-behalf payments for Assessor	80,645	107,768	(27,123)
Hospitalization insurance	20,544	15,963	4,581
Retirement	10,063	14,319	(4,256)
Payroll taxes	3,025	3,892	(867)
Uniforms	1,070	-0-	1,070
	<u>205,279</u>	<u>244,287</u>	<u>(39,008)</u>
Total personal services and related benefits			
Operating services:			
Legal fees	7,035	8,001	(966)
Office supplies and expenses	3,892	2,020	1,872
Assessor's personal expense allowance	12,400	8,411	3,989
Automobile lease	4,777	4,777	-0-
Accounting and auditing	10,714	8,038	2,676
Automobile expense	1,817	2,656	(839)
Interest	2,590	-0-	2,590
Dues and subscriptions	1,807	1,778	29
Other expense	812	673	139
Travel and other charges - meetings/conferences	5,696	5,955	(259)
	<u>51,540</u>	<u>42,309</u>	<u>9,231</u>
Total operating services			
Total expenditures	<u>256,819</u>	<u>286,596</u>	<u>(29,777)</u>
Net change in fund balance (deficit)	<u>(554)</u>	<u>13,924</u>	<u>14,478</u>
Fund balance (deficit), beginning of year as previously reported	(100,127)	(100,127)	-0-
Prior period adjustment (NOTE 10)	<u>-0-</u>	<u>73,946</u>	<u>73,946</u>
Fund balance (deficit), beginning of year as restated	<u>(100,127)</u>	<u>(26,181)</u>	<u>73,946</u>
Fund balance (deficit), end of year	<u>\$(100,681)</u>	<u>\$ (12,257)</u>	<u>\$ 88,424</u>

See Accompanying Independent Auditors' Report.



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

To the Honorable Darren Mire
First Municipal District Assessor,
Parish of Orleans
New Orleans, Louisiana

We have audited the financial statements of the **First Municipal District Assessor, Parish of Orleans (the Assessor)** as of and for the year ended December 31, 2003, and have issued our report thereon dated February 27, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards, which are described in the accompanying schedule of findings and questioned costs as item 03-01.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Assessor's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Assessor's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 03-01.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

This report is intended solely for the use of **the Assessor**, its management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

February 27, 2004

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

We have audited the financial statements of the **First Municipal District Assessor, Parish of Orleans** as of and for the year ended December 31, 2003, and have issued our report thereon dated February 27, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2003 resulted in an unqualified opinion.

I. Summary of Independent Auditors' Results

- | | |
|-------------------------------------------------------------------------------------------------------|----------------|
| A. Reportable conditions in internal control were disclosed by the audit of the financial statements: | Yes |
| Material weaknesses: | No |
| B. Noncompliance which is material to the financial statements: | Yes |
| C. Reportable conditions in internal control over major programs: | Not Applicable |
| Material weaknesses: | Not Applicable |
| D. The type of report issued on compliance for major programs: | Not applicable |
| E. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: | Not applicable |
| F. Major programs: | Not applicable |

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003**

I. Summary of Independent Auditors' Results, Continued

- | | |
|-------------------------------------------------------------------------------------|----------------|
| G. Dollar threshold used to distinguish between Type A and Type B programs: | Not applicable |
| H. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: | Not applicable |
| I. A management letter was issued: | No |

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003**

**II. Findings Relating to the Financial Statements Reported
In Accordance with Government Auditing Standards**

03-01 - **Budget Amendment**

We noted during our audit that the total actual expenditures exceeded total budgeted expenditures by 11%.

The Assessor did not amend its budget for unexpected expenditures occurring throughout the fiscal year. As such, **the Assessor** is in noncompliance with Louisiana R.S. 39:1310, which requires the governing body to amend its budget when total actual expenditures exceed total budgeted expenditures by 5% or more. However, **the Assessor** did not experience a deficit in current year operations.

We recommend that **the Assessor** monitor its budget on a regular basis to ensure that variances between budget and actual revenues, expenditures and beginning fund balance are always within the legal limits for budgeting controls.

Management's Response

We concur with the auditors' finding and recommendation. Procedures have been currently implemented that requires **the Assessor** to monitor its budget on a monthly basis to ensure that variances between the budget and actual revenues, expenditures and beginning fund balance comply with state budget laws.

III. Findings and Questioned Costs Relating to Federal Awards

Not applicable.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2003**

**I. FINDINGS RELATING TO THE FINANCIAL STATEMENTS
REPORTED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

02-01 ***Interim Financial Statements***

We recommended that **the Assessor** immediately take steps to implement procedures to ensure that monthly financial statements are prepared and reviewed on a timely basis.

Current Status

Resolved.

02-02 ***Untimely Budget Adoption***

We recommended that **the Assessor** continue to ensure that a budget is adopted according to state law.

Current Status

Resolved.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003**

**I. FINDINGS RELATING TO THE FINANCIAL STATEMENTS
REPORTED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS, CONTINUED**

02-03 **Budget Amendment**

We recommended that **the Assessor** monitor its budget on a regular basis to ensure that variances between budget and actual revenues, expenditures and beginning fund balance are always within the legal limits for budgeting controls.

Current Status

Unresolved. See current year finding 03-01.

02-04 **Fixed Assets**

We recommended that **the Assessor** update its fixed asset records to include the historical or estimated costs in order to reconcile to the general fixed asset account group.

Current Status

Resolved.

**FIRST MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003**

**I. FINDINGS RELATING TO THE FINANCIAL STATEMENTS
REPORTED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS, CONTINUED**

02-05 **Fund Balance (Deficit)**

It was recommended that **the Assessor** find ways to reduce spending and increase revenues in order to ensure an adequate level of fund balance in the general fund.

Current Status

Partially resolved.

For the year ended December 31, 2003, **the Assessor** had an excess of revenues over expenditures in the amount of \$13,924. In addition, the fund balance (deficit) at December 31, 2003 was \$(12,257).

II. INTERNAL CONTROL AND FEDERAL COMPLIANCE

Not applicable.

III. MANAGEMENT LETTER

No management letter comments reported.