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REGISTRAR OF VOTERS
OF THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA

SPECIAL PURPOSE FINANCIAL STATEMENTS
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 State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerical court.

Release Date 7-28-04

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INDEPENDENT AUDITORS' REPORT

Mr. Louis Keller, Sr.
Registrar of Voters of the
Parish of Orleans
New Orleans, Louisiana

We have audited the accompanying special purpose financial statements of the **Registrar of Voters of the Parish of Orleans, New Orleans, Louisiana (the Registrar)** as of December 31, 2003 and for the year then ended as listed in the Table of Contents. These special purpose financial statements are the responsibility of the Registrar's management. Our responsibility is to express an opinion on these special purpose 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall special purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in NOTE 3, the accompanying special purpose financial statements of the Registrar are intended to present the financial position and results of operations arising from the Registrar's appropriations from the City of New Orleans (the City). As such, the accompanying special purpose financial statements present only that portion of the funds and account groups that are attributable to the transactions of the Registrar arising from the annual appropriation made by the City to the Registrar.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

Mr. Louis Keller, Sr.
Registrar of Voters of the
Parish of Orleans
New Orleans, Louisiana
Page 2

In our opinion, the special purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Registrar of Voters of the Parish of Orleans as of December 31, 2003 and the results of operations, arising from the City's appropriations, for the year ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 21, 2004, on our consideration of the Registrar of Voters of the Parish of Orleans' 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.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 21, 2004

SPECIAL PURPOSE FINANCIAL STATEMENTS

REGISTRAR OF VOTERS OF THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
BALANCE SHEET
December 31, 2003

| | Governmental Fund Type | Account Groups | | Total (Memorandum Only) |
|--|---------------------------|------------------|----------------------------|-------------------------------|
| | | General Fund | General Fixed Assets | |
| ASSETS | | | | |
| Cash (NOTE 2) | \$ 22,581 | \$ -0- | \$ -0- | \$ 22,581 |
| Furniture and equipment (NOTES 2 and 4) | -0- | 11,562 | -0- | 11,562 |
| Amount to be provided for compensated absences (NOTES 2 and 5) | -0- | -0- | 35,015 | 35,015 |
| Total assets | \$ 22,581 | \$ 11,562 | \$ 35,015 | \$ 69,158 |
| LIABILITIES AND FUND EQUITY | | | | |
| Liabilities: | | | | |
| Accrued salaries | \$ 11,581 | \$ -0- | \$ -0- | \$ 11,581 |
| Compensated absences (NOTES 2 and 5) | -0- | -0- | 35,015 | 35,015 |
| Total liabilities | 11,581 | -0- | 35,015 | 46,596 |
| Fund Equity: | | | | |
| Investment in general fixed assets | -0- | 11,562 | -0- | 11,562 |
| Fund balance- unreserved | 11,000 | -0- | -0- | 11,000 |
| Total fund equity | 11,000 | 11,562 | -0- | 22,562 |
| Total liabilities and fund equity | \$ 22,581 | \$ 11,562 | \$ 35,015 | \$ 69,158 |

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

**REGISTRAR OF VOTERS OF THE PARISH OF ORLEANS
 NEW ORLEANS, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES
 AND
 CHANGES IN FUND BALANCE
 FOR YEAR ENDED December 31, 2003**

REVENUES

| | |
|--|----------------|
| Appropriation-City of New Orleans (NOTE 2) | \$ 283,433 |
| Total revenues | <u>283,433</u> |

EXPENDITURES

| | |
|--|----------------|
| Expenditures paid by registrar: | |
| Salaries, wages and related benefits | 234,788 |
| Expenditures paid by City of New Orleans: | |
| Operating expenses of the Office of the Registrar | <u>48,645</u> |
| Total expenditures | <u>283,433</u> |

| | |
|--------------------------------------|------------------|
| Excess of revenues over expenditures | 2,500 |
| Fund balance, beginning of year | <u>8,500</u> |
| Fund balance, end of year | \$ <u>11,000</u> |

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

**REGISTRAR OF VOTERS OF THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL (GAAP BASIS)-
GOVERNMENTAL FUND TYPE-GENERAL FUND
FOR YEAR ENDED December 31, 2003**

| REVENUES | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|-----------------|------------------|---|
| Appropriation-City of New Orleans | \$288,872 | \$283,433 | \$ (5,439) |
| Total revenues | 288,872 | 283,433 | (5,439) |
| EXPENDITURES | | | |
| Expenditures paid by registrar: | | | |
| Salaries, wages and related benefits | 251,107 | 234,788 | 16,319 |
| Expenditures paid by City of New Orleans: | | | |
| Operating expenses of the Office of the Registrar | 37,765 | 46,145 | (8,380) |
| Total expenditures | 288,872 | 280,933 | 7,939 |
| Excess of revenues over expenditures | -0- | 2,500 | 2,500 |
| Fund balance, beginning of year | 8,500 | 8,500 | -0- |
| Fund balance, end of year | <u>\$ 8,500</u> | <u>\$ 11,000</u> | <u>\$ 2,500</u> |

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

**REGISTRAR OF VOTERS OF THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS**

NOTE 1 - BACKGROUND

The Registrar of Voters of the Parish of Orleans (the Registrar) is a political subdivision of the State of Louisiana and is subject to the direction of the Commissioner of Elections. The Registrar is responsible for the registration of voters and for the administration and enforcement of the laws, rules, and regulations of the State of Louisiana and the Louisiana Civil Service Commission and after appointment can only be removed by majority vote of the State Board of Election Supervisors for conviction of a felony or specific types of conduct, as set forth in Louisiana Revised Statute 18:53.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The AICPA Council has designated the Governmental Accounting Standards Board (GASB) as the body to establish accounting principles for state and local governments. The accompanying statements have been prepared in accordance with such principles.

The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting also relates to the timing of the measurements made, regardless of the measurement focus applied.

The general fund uses the modified accrual basis of accounting. Its revenues are recognized when they become measurable and available as set current assets. All major revenues are susceptible to accrual.

**REGISTRAR OF VOTERS OF THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
(CONTINUED)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED**

Basis of Accounting, Continued

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Fund Accounting

The accounts of the Registrar are organized on the basis of governmental fund and account groups, each of which is considered a separate accounting entity. The operations of each fund and account groups are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in the governmental fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund and account groups presented in the special purpose financial statements are described as follows:

General Fund

The General Fund is the principal fund of the Registrar and is used to account for the operations of the Registrar's office.

General Fixed Assets and
General Long-Term Debt

Fixed assets are accounted for in the general fixed assets account group, rather than in the General Fund. General fixed assets provided by the City of New Orleans are not recorded within the general fixed assets account group of the Registrar. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

**REGISTRAR OF VOTERS OF THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
(CONTINUED)**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
CONTINUED**

Fund Accounting, Continued

**General Fixed Assets and
General Long-Term Debt, Continued**

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term debt account group, not in the General Fund.

The two account groups are not funds. They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

Basis of Financial Statement Presentation

The accompanying special purpose financial statements include only the appropriations received by the Registrar of Voters of the Parish of Orleans from the City of New Orleans (the City). As provided by Louisiana Revised Statutes 18:55-59, the State pays, through the Commissioner of Elections, a portion of the salary of the Registrar, the Chief Deputy, and the Confidential Assistant, and one-half of the salaries of the regular employees for each year plus related retirement and other benefits. This compensation is paid directly by the State to the Registrar and to his employees and is not included in the accompanying special purpose financial statements. As such, the accompanying special purpose financial statements present only that portion of the funds and account groups that are attributable to the transactions arising from the City's appropriation to the Registrar.

**REGISTRAR OF VOTERS OF THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
(CONTINUED)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
CONTINUED**

Operating Budget

The Registrar adopts a budget (appropriation request) on a calendar year basis for consideration by the City of New Orleans in the preparation of their operating budget of expenditures. The Registrar's budget is submitted to the City prior to November 1. The City advertises, holds hearings, and not later than December 1, the budget is legally enacted through passage of an ordinance. Appropriations for the Registrar's office are listed under the Judicial and Parochial Department as separate line items.

Cash Account

Cash consists solely of demand deposits fully secured by Federal deposit insurance.

Vacation and Sick Leave

Employees of the Registrar earn and accumulate vacation and sick leave at varying rates according to their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused vacation leave at the employees' hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used in computing retirement benefits. The liability for unused vacation leave payable at December 31, 2003, is \$25,015. Vacation leave payable is recorded in the general long-term debt account group.

**REGISTRAR OF VOTERS OF THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
(CONTINUED)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
CONTINUED**

Total Columns on the Balance Sheet - Overview

The total columns on the balance sheet is captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in this column does not present the financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

NOTE 3 - PENSION PLAN

Substantially all of the employees of the Registrar's office are members of the Registrar of Voters Employees' Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan, controlled and administered by a separate board of trustees.

All regular employees under the age of 55 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 60 with at least 10 years of creditable service, or at or after age 55 with at least 20 years of credited service, or at any age with at least 30 years of creditable service. Upon retirement, members are entitled to a basic retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-salary. If retirement occurs with less than 20 years of service, the basic benefit stated above is reduced 3 percent for each year that retirement precedes age 65.

**REGISTRAR OF VOTERS OF THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 3 - PENSION PLAN, CONTINUED

Final-average salary is the employee's average salary over the 36 consecutive of joined months that produce the highest average. Employees who terminate with at least 12 years of service and who do not withdraw their employee contributions may retire at or after age 60, or at or after age 55 with at least 30 years of service at termination, and receive the benefit accrued to their date of termination, reduced as indicated, if applicable. The System also provides death and disability benefits. Benefits are established by State statute. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Registrar of Voters Employees' Retirement System of Louisiana, Post Office Box 57, Jennings, Louisiana 70546.

Contributions to the System include one-sixteenth of one percent of the taxes shown to be collectible by the tax rolls of each parish. State statute requires covered employees to contribute 7 percent of their salary to the System. Beginning July 1, 2003, the Registrar was required by State law to contribute to the System at an actuarial rate of 3.27%.

The Registrar's contributions to the System for the years ended December 31, 2003, 2002, and 2001 were \$3,798, \$-0- and \$-0-, respectively, equal to the required contributions for each year.

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS:

A summary of the changes in fixed assets is as follows:

| Description | January 1, 2003 | Additions | December 31, 2003 |
|----------------------------|--------------------|-----------|----------------------|
| Furniture and equipment | \$5,178 | \$8,384 | \$13,562 |

REGISTRAR OF VOTERS OF THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
(CONTINUED)

NOTE 5 - CHANGES IN GENERAL LONG-TERM DEBT:

A summary of the changes in long-term debt is as follows:

| Description | January 1, 2003 | Additions | December 31, 2003 |
|----------------------|-----------------|----------------|-------------------|
| Compensated absences | <u>\$22,027</u> | <u>\$1,088</u> | <u>\$23,015</u> |



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

Mr. Louis Koller, Sr.
Registrar of Voters of the
Parish of Orleans
New Orleans, Louisiana

We have audited the special purpose financial statements of the Registrar of Voters of the Parish of Orleans, New Orleans, Louisiana (the Registrar), as of and for the year ended December 31, 2003, and have issued our report thereon dated June 21, 2004. As described in Note 2 to the special purpose financial statements, the accompanying special purpose financial statements include only the appropriations received from the City of New Orleans by the Registrar. 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 Registrar's special purpose 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 statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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

(CONTINUED)

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Registrar's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special purpose financial statements and not to provide assurance on the internal control over financial reporting. Our 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 special purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting that we consider to be material weaknesses.

This report is intended solely for the use of management, the City of New Orleans, the State of Louisiana and the 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, L.L.P.
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 23, 2004

**REGISTRAR OF VOTERS OF THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

We have audited the special purpose financial statements of the Registrar of Voters of the Parish of Orleans, New Orleans, Louisiana as of December 31, 2003 and for the year then ended and have issued our report thereon dated June 21, 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 special purpose financial statements as of December 31, 2003 resulted in an unqualified opinion.

1. Summary of Auditor's Results

- A. Reportable conditions in internal control over financial reporting were disclosed by the audit of the special purpose financial statements: None reported. Material weaknesses: No.
- B. Noncompliance which is material to the special purpose financial statements: No.
- C. Reportable conditions in internal control over major programs: N/A. Material weaknesses: N/A.
- D. The type of report issued on compliance for major programs: N/A.
- E. Any audit findings which are required to be reported under section 510(x) of OMB Circular A-133: N/A.
- F. Major programs: N/A.
- G. Dollar threshold used to distinguish between Type A and Type B programs: N/A.
- H. Auditee qualified as a low-risk auditee under section 510(x) of OMB Circular A-133: N/A.
- I. A management letter was issued: No.

2. Financial Statement Findings

No matters were reported.

3. Federal Award Findings and Questioned Costs

Not applicable.

**REGISTRAR OF VOTERS OF THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS**

Section I - Internal Control and Compliance Material to the Financial Statements

No findings were reported.

Section II - Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III - Management Letter

We recommended that the Registrar monitor its budget on a monthly basis to ensure that variances between budget and actual revenues, expenditures and beginning fund balance are always within the legal limits. The Registrar should analyze periodically all material variances of budget categories and amend its budget prior to the end of the fiscal year, as appropriate.

Current Status

Resolved.

**REGISTRAR OF VOTERS OF THE PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
EXIT CONFERENCE**

An exit conference was held at the office of the Registrar of Voters of the Parish of Orleans on June 28, 2004. Those present were:

REGISTRAR OF VOTERS OF THE PARISH OF ORLEANS

Mr. Louis Keller, Sr. -- Registrar
Mr. Bobby E. Wilson, Sr. -- Chief Deputy

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Lawrence Jones, CPA -- Manager

This report is intended solely for the use of management, the City of New Orleans, the State of Louisiana and the 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

June 21, 2004