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**ASSESSOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

December 31, 2003

Under provisions of state law this report is a public document. A copy of the report has been furnished 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: 7-28-04

CASCO, DAVIS & SCHMIDT, LLP
Certified Public Accountants

**ASSESSOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

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Robert J. Cascio, CPA
Jim E. Davis, CPA
Steven S. Schmidt, CPA

Illinois
American Institute of Certified
Public Accountants
Member of American Institute
of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Assessor Third Municipal District,
Parish of Orleans

We have audited the accompanying general purpose financial statements of the Assessor, Third Municipal District, Parish of Orleans, as of December 31, 2003 and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Assessor, Third Municipal District, Parish of Orleans. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. The prior year summarized information has been derived from the District's 2002 financial statements and, in our report dated June 18, 2003, we expressed an unqualified opinion on these financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Assessor, Third Municipal District, Parish of Orleans, as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Governmental Auditing Standards, we have also issued our report dated June 18, 2004 on our consideration of the Assessor, Third Municipal District, Parish of Orleans' internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Cascio, Davis & Schmidt, LLP

Metairie, Louisiana
June 18, 2004

ASSESSOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS

COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 2003

	GOVERNMENTAL <u>FUND TYPE</u>	ACCOUNT <u>GROUP</u>	TOTALS <u>(MEMORANDUM ONLY)</u>	
	GENERAL FUND	FIXED ASSETS	2003	2002
ASSETS				
Cash (Note D)	\$ 66,847	\$ -	\$ 66,847	\$ 117,032
Investments (Note A2)	198,377	-	198,377	107,232
Receivables (Note C)	43,827	-	43,827	35,606
Fixed assets (Notes A2 and D)	<u>-</u>	<u>48,693</u>	<u>48,693</u>	<u>48,693</u>
Total assets	<u>\$ 219,351</u>	<u>\$ 48,693</u>	<u>\$ 268,044</u>	<u>\$ 308,553</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts payable	\$ 8,838	\$ -	\$ 8,838	\$ 10,681
Accrued liabilities	<u>348</u>	<u>-</u>	<u>348</u>	<u>681</u>
Total liabilities	19,208	-	19,208	11,362
Fund Equity				
Investment in general fixed assets	-	48,693	48,693	48,693
Fund balances - undesignated	<u>208,143</u>	<u>-</u>	<u>208,143</u>	<u>248,638</u>
Total fund equity	<u>208,143</u>	<u>48,693</u>	<u>253,842</u>	<u>297,331</u>
Total liabilities and fund equity	<u>\$ 219,351</u>	<u>\$ 48,693</u>	<u>\$ 268,044</u>	<u>\$ 308,553</u>

The accompanying notes are an integral part of this statement.

ASSESSOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS

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

For the year ended December 31, 2003

	GENERAL FUND	<u>MEMORANDUM ONLY - 2003</u>
REVENUES		
Intergovernmental revenue		
Board of Assessors		
Allotment	\$ 374,939	\$ 366,316
Revenue sharing	72,922	73,136
Document transfer fees	285,077	288,904
Interest income	1,324	5,062
Other income	<u> 620</u>	<u> 8,280</u>
TOTAL REVENUES	634,882	641,698
EXPENDITURES		
Personal services and related benefits	325,501	314,900
Travel	665	778
Operating expenses	143,260	130,539
Materials and supplies	<u> 4,352</u>	<u> 5,453</u>
TOTAL EXPENDITURES	673,778	651,680
EXCESS OF EXPENDITURES OVER REVENUES	(38,896)	(40,041)
Fund balance - undesignated, beginning of year	<u>248,678</u>	<u>238,678</u>
Fund balance - undesignated, end of year	\$ 209,782	\$ 198,637

The accompanying notes are an integral part of this statement.

**ASSESSOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

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 he is elected. The assessor shall be elected at the same time as the municipal officers of New Orleans, for terms of four years each. In the event a vacancy occurs in any one of the seven assessors' office, the Board of Assessors shall appoint an interim assessor for the unexpired term.

The assessor assesses all real and moveable property in his municipal district subject to ad valorem taxation. The assessor is authorized to appoint as many deputies as may be necessary for taxpayers in his district. The deputies are authorized to perform all functions of the office, but the assessor is officially and primarily responsible for the actions of the deputies.

For financial reporting purposes, the assessor includes all funds and accounts 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 financial statements as they are considered autonomous governments. These units of government issue financial statements separate from that of the parish assessors.

The assessment rolls of the Assessor, Third Municipal District, Parish of Orleans for the years 2003 and 2004 are as follows:

	<u>Year 2003</u>	<u>Year 2004</u>
Real estate	\$ 518,451,046	\$ 546,171,100
Personal property	104,077,540	111,571,096
Public service rolls	<u>68,747,560</u>	<u>66,953,689</u>
Total	691,276,146	724,695,886
Less homestead exemptions	<u>218,683,688</u>	<u>223,910,985</u>
Net amount	\$ <u>472,592,458</u>	\$ <u>500,784,901</u>

ASSESSOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1993

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basis of Presentation

The accompanying financial statements of the Assessor, Third Municipal District, Parish of Orleans, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

3. Investments

Investments represent funds deposited in the Louisiana Asset Management Pool, a state sponsored external investment pool. This investment is not required to be categorized under Government Accounting Standards Board Statement No. 3.

4. Fund Accounting

The Assessor, Third Municipal District, Parish of Orleans, uses a fund and an account group to report on its financial position and 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. 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 and Account Group presented in the financial statements are described as follows:

General Fund

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the principal operating fund of the Assessor, Third Municipal District, Parish of Orleans and accounts for all financial resources, except those required to be accounted for in the account group. Revenues are accounted for in the General 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.

ASSESSOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

General Fixed Assets Account Group

General fixed assets are not capitalized in the funds used to acquire them. Instead, capital acquisitions are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at cost where historical records are available and at an estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Assets in the General Fixed Assets Account Group are not depreciated.

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 (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "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 government considers property taxes available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

ASSESSOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1983

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 Assessor's budget authorizes supplementary appropriations during the year to the Assessor, Third Municipal District, Parish of Orleans. Since the Board of Assessors legally adopts a budget, the Assessor, Third Municipal District, Parish of Orleans, is not required to follow the legal budgetary practices of public notice, participation and 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, Third 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, Third Municipal District, Parish of Orleans, is included in the accompanying General Purpose Financial Statements.

8. Total Columns of Combined Statements

Total columns are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**ASSESSOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

A. Vacation and Sick Leave

The employees of the Assessor, Third Municipal District, Parish of Orleans, earn two weeks of vacation leave each year and earn one and one-half days of sick leave each month. Vacation leave not used at the end of the year is not carried over to the next year, consequently vacation leave is not accrued at the end of the year. Sick leave is limited to 90 days. Vacation and sick pay expenditures are charged to operations when taken by the employees of the Assessor, Third Municipal District, Parish of Orleans. Unused sick leave can be taken only in the event of illness and is not convertible to pay upon termination of employment or retirement, accordingly, no accruals are reflected in the accounts.

NOTE B - CASH DEPOSITS

Cash deposits of the Assessor, Third Municipal District, Parish of Orleans are 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>		
		<u>I</u>	<u>II</u>	<u>III</u>
Cash Deposits	\$ <u>62,351</u>	\$ <u>62,351</u>	\$ <u> </u>	\$ <u> </u>

NOTE C - RECEIVABLES

Receivables at December 31, 2003 consist of Document Transfer Taxes.

ASSESSOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2003

NOTE D - GENERAL FIXED ASSETS - ACCOUNT GROUP

A summary of changes in general fixed assets follows:

	Balance <u>11/31/02</u>	Additions	Retirements	Balance <u>12/31/03</u>
Equipment	\$ 15,204	\$ -	\$ -	\$ 15,204
Office improvements	<u>33,461</u>	<u>-</u>	<u>-</u>	<u>33,461</u>
Total fixed assets	\$ <u>48,665</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>48,665</u>

NOTE E - PENSION PLAN

All full-time employees of the Assessor, Third Municipal District, Parish of Orleans, are members of the Louisiana Assessor's Retirement System. In addition to 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, Third Municipal District, Parish of Orleans does not guarantee the benefits granted by the retirement system.

Following is a summary of the Louisiana Assessor's Retirement Fund for the most recent valuation date, which was September 30, 2003.

<i>Actuarial Value of Plan Assets</i>	\$ <u>107,179,684</u>
<i>Unfunded Pension Benefit Obligation</i>	\$ <u>38,184,652</u>
(1) Amount of the Assessor, Third Municipal District, Parish of Orleans, Current Year Covered Payroll	\$ <u>302,564</u>
Amount of the Assessor, Third Municipal District, Parish of Orleans, Current Year Total Payroll	\$ <u>371,138</u>

**ASSESSOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2003

NOTE E - PENSION PLAN - CONTINUED

- 2) All full time employees of the Assessor, Third Municipal District, Parish of Orleans, are members of the Retirement System.

Retirement benefits are computed based on the highest thirty-six (36) consecutive or 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.

- 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 1985 and required the following provision:

The Assessor, Third Municipal District, Parish of Orleans, was required to contribute 14% of covered Payroll as of December 31, 2003, which is remitted to the Louisiana Assessor's Retirement Fund.

The Assessor, Third Municipal District, Parish of Orleans, deducted 8% from the salaries of the full-time employees through October 2003. The 8% for the months of November and December 2003 was paid for by the Assessor, Third Municipal District. These funds are also remitted to the Louisiana Assessor's Retirement Fund.

- | | |
|----------------------------------|------------------|
| 4) Employee actual contributions | \$ 21,006 |
| Employer actual contributions | <u>38,851</u> |
| Total Contributions | \$ <u>59,857</u> |

- 5) The assumptions used for valuation were the same as those utilized for the prior year.

ASSESSOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2003

NOTE E - PENSION PLAN - CONTINUED

- 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	\$ 158,173,603
Retirees, beneficiaries and terminated employees	<u>96,388,417</u>
Total pension benefit obligation	\$ <u>224,572,022</u>
Total net assets available for benefits	\$ <u>107,178,684</u>

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

NOTE F - COMMITMENTS AND CONTINGENCIES

The Assessor, Third Municipal District, Parish of Orleans, has a cancellable operating lease for storage space as follows:

Term	Annual Payment
\$ 50 Monthly	\$ 600

Francis J. Cascio, CPA
Joe E. Davis, CPA
Steven A. Schmidt, CPA

Members
American Institute of Certified
Public Accountants
Society of Louisiana Certified
Public Accountants

**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 Third Municipal District
Parish of Orleans

We have audited the general-purpose financial statements of the Assessor, Third Municipal District, Parish of Orleans, as of and for the year ended December 31, 2003, and have issued our report thereon dated June 18, 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, Third Municipal District, Parish of Orleans' financial statements are free of material misstatement, we 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 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Assessor, Third Municipal District, Parish of Orleans' 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. 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 accounts 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of 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.

Casco, Davis & Schmidt, R.P.A.

Metairie, Louisiana

June 18, 2004

**ASSESSOR
THIRD MUNICIPAL DISTRICT
PARISH OF ORLEANS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2003

SUMMARY OF AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS

We have audited the financial statements of Assessor Third Municipal District Parish of Orleans as of and for the year ended December 31, 2003 and have issued our report thereon dated June 18, 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.

SUMMARY OF AUDITOR'S REPORT ON INTERNAL CONTROL AND COMPLIANCE

Internal Control

Material weaknesses - NONE

Other Conditions - NONE

Compliance

Compliance Material to Financial Statements - NONE

QUESTIONED COSTS - NONE

PRIOR YEAR FINDINGS - NONE