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BOARD OF AMBASSORS, PARTISAN OF ORLEANS

NEW ORLEANS, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2003

Under provisions of state law this report is a public document. Any 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 7-28-04

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PEPPERMAN, ENBOULAS, SCHWARTZ & TODARO
L.L.C.

J. DEYN TODARO
WILLIAM G. ARABIA, III
JAMES M. SCOTT
LAFAYETTE BARR
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INDEPENDENT AUDITOR'S REPORT

Board of Assessors, Parish of Orleans
New Orleans, Louisiana

We have audited the accompanying general purpose financial statements of the Board of Assessors, Parish of Orleans, New Orleans, Louisiana, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the management. Our responsibility is to express an opinion on these general 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 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 Board of Assessors, Parish of Orleans, New Orleans, Louisiana, as of December 31, 1999, 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 Government Auditing Standards, we have also issued our report dated June 25, 1999, on our consideration of the Board of Assessors, Parish of Orleans, New Orleans, Louisiana, 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.

Pepperman, Enboulas, Schwartz & Todaro, L.L.C.

Mobile, Louisiana
June 25, 1999

**PEPPERMAN, EMBOULAS, SCHWARTZ & TODARO
L.L.C.**

1. BRUN FIDARO
WILLIAM J. BRADY, III
LINDSEY BRYANT
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EMMA J. BAY (1981-1983)
JAMES J. DALLAMER, III (1981-1983)
LARRY D. PEPPERMAN (1981-1983)
WILLIAM EDWARDS (1981-1983)
MICHAEL S. BUCK (1981-1975)
LAWRENCE S. EMBOULAS (1981-1983)

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

Board of Assessors, Parish of Orleans

New Orleans, Louisiana

We have audited the general purpose financial statements of the Board of Assessors, Parish of Orleans, New Orleans, Louisiana, as of and for the year ended December 31, 2023, and have issued our report thereon dated June 18, 2024. 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.

CONCLUSION

As part of obtaining reasonable assurance about whether the Board of Assessors, Parish of Orleans, New Orleans, Louisiana, general 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 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, and as described in the accompanying schedule of findings and questioned costs as item 2023-01.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Board of Assessors, Parish of Orleans, New Orleans, Louisiana, 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 Board'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 2023-01.

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 weaknesses 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.

This report is intended solely for the use of the Board of Assessors, Parish of Orleans, New Orleans, Louisiana, its management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:511, this report is distributed by the Legislative Auditor as a public document.

Raymond J. Boudreaux, Secretary, L.L.C.

Metairie, Louisiana
June 23, 2004

CONDENSED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1953

	<u>GOVERNMENTAL</u> <u>FUND TYPE</u>	<u>ACCOUNT GROUP</u>	<u>TOTAL</u> <u>DECEMBER 31,</u> <u>1953</u>
	<u>GENERAL</u> <u>FUND</u>	<u>GENERAL</u> <u>FUND</u> <u>ASSETS</u>	
ASSETS AND OTHER DEBITS:			
Cash and Cash Equivalents	\$ 25,479	\$ ---	\$ 25,479
Investments, At Cost	828	---	828
Taxes Receivable	183,385	---	183,385
Prepaid Payroll Taxes	21,874	---	21,874
Equipment, At Cost	---	121,283	121,283
 Total Assets And Other Debits	 <u>\$211,476</u>	 <u>\$121,283</u>	 <u>\$211,283</u>
LIABILITIES, FUND EQUITY, AND OTHER CREDITS:			
Liabilities:			
Accounts Payable:			
Trade	\$17,873	\$ ---	\$17,873
Taxes Payable	181,385	---	181,385
 Total Liabilities	 <u>\$199,258</u>	 <u>\$ ---</u>	 <u>\$199,258</u>
Fund Equity And Other Credits:			
Investment In General Fixed Assets	\$ ---	\$21,283	\$21,283
Fund Balances:			
Unreserved - Undesignated	22,212	---	22,212
 Total Fund Equity And Other Credits	 <u>\$ 22,212</u>	 <u>\$21,283</u>	 <u>\$43,495</u>
 Total Liabilities, Fund Equity, And Other Credits	 <u>\$199,258</u>	 <u>\$42,566</u>	 <u>\$199,258</u>

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>GENERAL</u>
	<u>FUND</u>
REVENUES:	
Intergovernmental Revenues:	
Allocated Millage	\$2,497,892
Surreptitious Transaction Fee	729,304
State Revenue Sharing	147,349
Interest Earned	8,892
Miscellaneous Charges	<u>12,000</u>
Total Revenues	<u>\$3,395,437</u>
EXPENDITURES:	
General Government - Functions:	
PERSONAL SERVICES AND	
Related Benefits	\$ 832,181
Operating Services	528,409
Material And Supplies	92,981
Miscellaneous	118,488
Allocations To Orleans	
Parish Assessors' Salaries	<u>3,788,326</u>
Total Expenditures	<u>\$5,360,385</u>
EXCESS (DEFICIENCY) OF	
REVENUES OVER EXPENDITURES	(1) 964,948
OTHER FINANCING SOURCES (USES):	
Transfers (To) From:	
General Fund Asset	
Account Group	
Purchases	(<u>3,000</u>)
EXCESS (DEFICIENCY) OF REVENUES	
AND OTHER SOURCES OVER	
EXPENDITURES AND OTHER USES	(1) 967,948
FUND BALANCE AT BEGINNING OF YEAR	<u>425,000</u>
FUND BALANCE AT END OF YEAR	<u>\$ (43,000)</u>

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	GENERAL FUND		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Intergovernmental Revenues:			
Allocated Millage	\$2,937,592	\$2,294,140	(\$ 643,452)
Documentary Transaction Tax	718,388	843,338	124,946
State Revenue Sharing	147,849	128,488	19,361
Interest Earned	8,884	18,878	10,000
Miscellaneous Charges	12,881	18,880	5,999
Total Revenues	\$3,815,592	\$3,293,684	(\$ 521,908)
EXPENDITURES:			
General Government - Taxation:			
Personal Services And Related Benefits	\$ 821,881	\$ 780,320	41,561
Operating Services	529,813	172,880	356,933
Materials And Supplies	81,921	81,880	41
Miscellaneous	128,888	128,880	8
Allocations To Orleans Parish Assessors' Districts	3,788,822	3,890,328	101,506
Total Expenditures	\$5,310,325	\$5,053,488	(\$ 256,837)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	\$ 495,267	\$ 240,196	(\$ 255,071)
OTHER FINANCING SOURCES (USES):			
Transfers (To) From:			
General Fund Asset Account Group Purchase	1,388,881	1,388,881	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES			
	\$ 1,884,148	\$ 429,077	(\$ 1,455,071)
FUND BALANCE AT BEGINNING OF YEAR			
	421,888	421,888	0
FUND BALANCE AT END OF YEAR			
	\$ 1,465,936	\$ 470,965	(\$ 994,971)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

NOTE 1 - INTRODUCTION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES:

INTRODUCTION:

As provided by Article VII, Section 14 of the Louisiana Constitution of 1974, the assessors are elected by the voters of each parish, Orleans Parish excepted, and serve terms of four years. The assessors assess property, prepare tax rolls, and submit the rolls to the Louisiana Tax Commission as prescribed by law.

The Board of Assessors' office is located in the Orleans Parish City Hall in New Orleans, Louisiana. It functions as the administrative body for the Orleans Parish Assessors and their seven Municipal Districts. The directors of the Board are comprised of the seven Orleans Parish Assessors.

The Board's primary revenue consists of dedicated millage collections (1.15 mills) by the City of New Orleans from the assessment tax rolls of the parish and distributed to the Board. The seven Orleans Parish Assessors receive an allocation from this fund on a pro-rata basis for the expense of operating their offices. The remaining funds are used to pay the assessors' salaries and administration expenses of the Board.

A special taxing district was created by the Legislature for the purpose of funding the Board of Assessors of Orleans Parish. The District shall levy a tax on the assessed valuation of all taxable property on the tax rolls. The Board of Assessors allocates the tax collected to each Orleans Parish Assessor based on the size and activity in each district.

As December 31, 1983, real and movable property assessments totaled \$1,705,484,494. This represents an increase in assessments totaling \$49,457,841 over the prior year, caused primarily by increasing values of real property assessments in the districts during the year.

2) BASIS OF PRESENTATION:

The accompanying general purpose financial statements of the Board of Assessors, Parish of Orleans, New Orleans, Louisiana, 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) THE REPORTING ENTITY:

For financial reporting purposes, the Board of Assessors, Parish of Orleans, New Orleans, Louisiana, includes all funds, account groups, activities, or entities that are controlled by the Board of Assessors. The activities of the parish police jury, school board, other independently elected parish officials, and municipal local government are not included within the accompanying financial statements as they are considered autonomous governments. These units of government issue financial statements separate from that of the Board of Assessors.

4) FUND ACCOUNTING:

The Board of Assessors uses funds and account groups 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. 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.

**NOTE 1 - INTRODUCTORY AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES. (Continued)**

(C) FUND ACCOUNTING: (Continued)

Funds of the Board are classified as governmental funds. Governmental funds account for the Board's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets. Governmental funds of the Board include:

General Fund:

The General Fund, as provided by Louisiana Revised Statute 49:1261, is the principal fund of the Board of Assessors and accounts for the operation of the Board of Assessors' office. Funds received from ad valorem tax revenues, authorized by Act R, S. 49:1265.1, 1265.2 (A) and 1265.3 (A) of the 1988 Legislative Session, are accounted for in this fund. General operating expenditures are paid from this fund.

Debt Service Fund:

Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, interest, and related costs.

Account Groups:

General Fixed Assets:

Fixed assets are accounted for in the General Fixed Assets Account Group rather than in the governmental funds. No depreciation has been provided on fixed assets. Fixed assets are valued at historical costs.

General Long-Term Debt:

Long-Term obligations expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

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.

(D) BASIS OF ACCOUNTING:

The accounting and financial reporting treatment applied to a Fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for governmental fund types. Governmental fund types use the following practices in recording revenues and expenditures:

8) BASIS OF ACCOUNTING: (Continued)

Revenues:

Revenues are recorded as received in cash except for the accrual of dedicated millage and documentary transaction tax which was collected by the City Tax Collector but not recorded in the Board as of the year end, and accrued interest on investments and other cash equivalents at December 31, 1993.

Expenditures:

Expenditures are recorded on the accrual basis.

Other Financing Sources (Uses):

Transfers between Funds and account groups are accounted for as other financing sources (uses).

9) BUDGET PRACTICES:

The proposed budget for the year beginning January 1, 1993 and ending December 31, 1993, prepared on the modified accrual basis of accounting, was published in The Times-Picayune newspaper on December 13, 14 and 15, 1992. The proposed budget was legally adopted by the Board of Assessors on December 1, 1992.

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budgeted amounts. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

The Board of Assessors utilizes the traditional budget preparation method of budgeting for its financial plan. Revenues projected for 1993 were estimated based on millage collections allocated to the Board of Assessors for 1993 which collections were predetermined in approximate prior years revenues. Expenditures of prior years are considered when preparing the budget for the current year. The right to make changes in the adopted budget is reserved solely to the Board of Assessors.

Unaudited appropriations for all budgeted funds lapse at year end.

A budget is not required to be adopted for the Debt Service Fund, as it is excluded from the budget-actual comparison shown in Exhibit "C" of the financial statements.

FI ENCUMBRANCES:

Encumbrance accounting, under which commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not used by the Board of Assessors' Office because it is considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control. Therefore, there were no outstanding encumbrances at December 31, 1993.

4) CASH AND CASH EQUIVALENTS:

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. The Board of Assessors considers all highly liquid debt instruments, time deposits and those investments with original maturities of 90 days or less to be cash equivalents.

Under state law, the Board of Assessors may deposit funds in demand deposits, interest-bearing demand deposits, MONEY MARKET ACCOUNTS, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Under state law, the Board of Assessors may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

5) GENERAL FIXED ASSETS:

Fixed assets are recorded as expenditures at the time purchased, and the related assets are associated for in the General Fixed Assets Account Group. No depreciation has been provided on general fixed assets. All general fixed assets are valued at historical cost.

6) COMPENSATED ABSENCE:

It is impracticable to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Board's policy is to recognize the costs of compensated absences when actually paid to employees.

7) GENERAL LONG-TERM DEBT:

Long-term obligations expected to be financed from Governmental Funds are associated for in the General Long-Term Debt Account Group. Expenditures for principal and interest payments for long-term obligations are recognized in the Debt Service Fund when due.

NOTE 1 - INTRODUCTION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES: (Continued)

1) TOTAL COLLATERAL ON THE STATEMENTS - OVERVIEW:

The total collaterals on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Note in these collaterals do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2) USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS:

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS:

The following is a summary of cash and cash equivalents at December 31, 2003 and related collateral in the form of Federal deposit insurance and pledged securities (SMBB Category 1):

Cash	\$	74	
Money deposits - Bank Exp. Louisiana, SA		<u>12,879</u>	<u>\$ 12,953</u>
Federal Deposit Insurance		148,488	
Collateral - Pledged Securities		<u>487,322</u>	<u>636,332</u>
Uninsured Balance			<u>1,000</u>

As reflected in Exhibit "A", the Board of Examiners had cash and cash equivalents totaling \$20,879 at December 31, 2003. Cash and cash equivalents are stated at cost which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the Federal deposit insurance must at all times be equal to the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a custodial bank that is mutually acceptable to the parties involved.

NOTE 3 - INVESTMENTS

Investments include amounts in interest-bearing securities invested with the Louisiana Asset Management Pool (LAMP), a local government investment pool, which are stated at cost. In accordance with GASB Codification Section 190.145, the investment in LAMP is not categorized into the three risk categories provided by GASB Codification Section 190.144 because the investment is in the pool of funds and thereby 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, and is governed by a board of directors comprised of representatives from various local governments and state wide professional organizations. 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. 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. 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 180 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Under state law, the Assessor may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2000, the Board of Assessors held investments totaling \$118 as follows:

	<u>CARRYING</u> <u>AMOUNT</u>	<u>MARKET</u> <u>VALUE</u>
Louisiana Asset Management Pool	<u>\$ 118</u>	<u>\$ 118</u>

The investments are in the name of the Board of Assessors and are held at the Board's office.

NOTE 2 - GENERAL FUND ASSET - ACCOUNT GROUP:

The following is a summary of changes in General Fund Asset Account Group:

	<u>OFFICE</u> <u>EQUIPMENT</u>
Balance January 1, 2003	\$117,000
Acquisitions: Year Ended December 31, 2003	1,000
Deletions: Year Ended December 31, 2003	-----
Balance December 31, 2003	<u>\$118,000</u>

NOTE 3 - RISK MANAGEMENT:

The Board of Assessors 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 Board of Assessors is covered by commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 4 - BUDGET-ACTUAL COMPARISON:

As stated in the Summary of Significant Accounting Policies, the Board of Assessors does not use formal budgetary integration as a management control device during the year.

Actual revenues that failed to meet budgeted amounts by more than \$6 are as follows:

	<u>UNFAVORABLE</u> <u>VARIANCE</u> <u>(\$,000)</u>
Unbilled Billings	-----
Interest Income	(41,456)

These unfavorable variances are due to Billings that remain uncollected by the City of New Orleans and the decline in interest rates which could not be anticipated at the time of budget preparation.

NOTE 6 - BUDGET-ACTUAL COMPARISON: (Continued)

Actual expenditures that exceeded budgeted amounts by more than 5% are as follows:

	<u>(UNFAVORABLE)</u> <u>VARIANCE</u>
Personal Services and Related Benefit	(1,504)
Operating Services	(88,514)

The unfavorable variance related to Personal Services and Related Benefits is due to increases in annuities salaries and employer retirement contribution. The unfavorable variance related to Operating Services is due to payments under the software licensing agreement as outlined in Note 15. Neither of these additional expenditures were anticipated at the time of budget preparation.

NOTE 7 - PENSION PLAN:

Plan Description:

Substantially all employees of the Board of Assessors are members of the Louisiana Assessors Retirement System (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 15 years of credited service or at or after age 60 with at least 10 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service prior to July 1998, and 3.05% for each year of credited service earned after that date, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 10 consecutive or jointed months that produce the highest average. Employees who terminate with at least 10 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 DEPARTURE. 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 1489, Baton Rouge, Louisiana 70804, or by calling (225) 618-4880.

NOTE 7 - PENSION PLAN: (Continued)

Funding Policy:

Plan members are required by state statute to contribute 8.4 percent of their annual covered salary and the Board of Assessors is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. Contributions to the System also include one percent 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 Board of Assessors, are established and may be amended by STATE STATUTE. As provided by Louisiana Revised Statute 11:122, 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 Board of Assessors's contributions to the System for the years ending December 31, 2002, 2003 and 2004, were \$48,062, \$74,428 and \$97,381, respectively, equal to the required contributions for each year.

NOTE 8 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS:

The Board of Assessors provides certain continuing health care and life insurance benefits for retired employees. Substantially all of the Board's employees become eligible for these benefits if they reach normal retirement age while working for the Board of Assessors. These benefits for retirees and similar benefits for active employees are provided through the Louisiana Assessor's Insurance Fund, whose monthly premiums are paid jointly by the employee and by the Board of Assessors. The Board recognizes the cost of providing these benefits (Board's portion of premiums) as an expenditure when paid during the year. For 2003, the total cost of benefits paid by the Board for all active employees and retirees was \$86,914.

NOTE 9 - GAO'S 34 IMPLEMENTATION:

The GAO issued Statement Number 34, Basic Financial Statements and Management's Discussion and Analysis-For State and Local Governments, in June 1997. The date of implementation is effective in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1997 (earlier application is encouraged). The Board of Assessors is required to implement the provisions for the procurement for financial statements for the period beginning after June 15, 1997. Because total annual revenues were less than \$10 million in the year ending December 31, 1998, GAO Statement Number 34 establishes a new governmental financial reporting model

NOTE 9 - GRAB 14 IMPLEMENTATION: (Continued)

that will feature, among other significant changes, Management's Discussion and Analysis, a unique combination of fund-based and government-wide financial statements, and required supplementary information. The effects on the Board's financial statement are not known at this time; however, the procurement will be implemented for the year ending December 31, 2004, if not implemented earlier.

NOTE 10 - COMMITMENTS:

On September 24, 2001 the Board of Assessors signed a Software License Contract with Cole Layer Trumble Company of Dayton, Ohio, hereinafter referred to as CLT, to provide software and professional services required for a Computerized Mass Appraisal, Assessment Administration and Personal Property System. CLT is to provide the professional services required to customize, tailor, enhance and implement this system. Subject to full payment of obligations under this agreement CLT will grant to the Board of Assessors: Cole Layer Trumble Licensed Software, referred to as L&S Software, L&S Source Code, related documentation, any improvements, additions or modifications together with the right to make copies of the software as may be required for the internal use of the Board of Assessors. Additionally, CLT shall grant to the Board of Assessors a sublicense to use the Oracle Products (ORACLE) Software needed for the operation of the system. Support of L&S Modules and Oracle Annual Technical Support is included through the term of this agreement which ends December 31, 2006. Total amounts due to CLT for the complete performance under this agreement amounts to \$982,880. As per the agreement, an initial payment for software license of \$380,178 is required and twenty-five (25) monthly payments of \$24,808.

The remaining commitments under this software license contract are as follows:

2004	\$204,000
2005	\$204,000
2006	\$54,880

During the year payments totaling \$380,178 were made under this agreement and included in expenditures as operating services.

NOTE 11 - CONTINGENCE:

On April 2, 2004, the Board of Assessors agreed and settled a claim for legal fees and related costs in the amount of \$98,432. The claim originated from legal services provided by John D. Hewitt to Patricia A. Johnson, the former First Municipal District Assessor. The claim for \$98,432 has been recognized as an expenditure for the year ended December 31, 2003 and included as Operating Services.

The Board has requested reimbursement for this claim from all tax recipient agencies of Orleans Parish, in accordance with Louisiana Revised Statutes. The Board estimates reimbursements in 2004 in the amount of \$98,432.

NOTE 12 - SUBSEQUENT EVENT:

On June 15, 2004, the Board of Assessors was named as a defendant in a suit filed in Civil District Court. The suit is for payment of legal services provided on behalf of the Third District Assessor and the Fifth District Assessor.

The Board has not yet engaged an attorney regarding this suit, and therefore is unable to comment as to the potential outcome.

BOARD OF Assessors, Parish of Orleans
New Orleans, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2001

We have audited the financial statements of the Board of Assessors, as of and for the year ended December 31, 2001, and have issued our report thereon dated June 29, 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, 2001 resulted in an unqualified opinion.

1. Summary of Independent Auditor's 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(d) of OMB Circular A-133:	Not Applicable
f. Major programs:	Not Applicable
g. Dollar threshold used to distinguish between Type A and Type B programs:	Not Applicable
h. Auditors qualified as a low-risk auditor under section 510 of OMB Circular A-133:	Not Applicable
i. A management letter was issued:	No

2. Findings Relating to the Financial Statements Reported
In Accordance With Government Auditing Standards

Reference Number: 1801-01

Fiscal Year Finding Initially Occurred: 2000

Description of Findings:

Budget Amendment - During our audit we noted that total actual expenditures exceeded budgeted amount by 13.6%. The Board of Assessors did not amend its budget for unexpended expenditures. Louisiana Revised Statute 39:1312 requires that the governing body amend its budget when total actual expenditures exceed total budgeted expenditures by 1% or more. Although this resulted in a deficit for the current year, it did not create a deficit fund balance.

Corrective Action Taken (Yes, No, Partially): No

Planned Corrective Action/

Corrective Action Taken:

We recommend that the Board of Assessors monitor its budget on a monthly basis so that variances can be identified on a more timely basis. Once unfavorable variances are identified the Board should amend its budget in order to comply with state budget laws.

Management's Response:

We concur with the above findings and recommendations.

3. Findings and Questioned Costs Relating To Federal Awards

Not applicable.

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2003

1. Findings Relating To The Financial Statements Reported
In Accordance With Government Auditing Standards

Reference Number: 2003-1

Fiscal Year Finding Initially Occurred: N/A

Description Of Findings: None

Corrective Action Taken (Det. No. Partially): N/A

Planned Corrective Action/

Corrective Action Taken: N/A

2. Internal Control And Federal Compliance

Not applicable.

3. Management Letter

No management letter comments reported.