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ASSESSOR'S OFFICE, FIFTH MUNICIPAL DISTRICT

PARISH OF ORLEANS, NEW ORLEANS, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS

APRIL 30, 1996 AND 1995

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

Release Date 4-2-97

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PEPPERMAN, EMBOULAS, SCHWARTZ & TODARO

(A REGISTERED LIMITED LIABILITY PARTNERSHIP)

CERTIFIED PUBLIC ACCOUNTANTS

LAWRENCE A. EMBOULAS
S. IRVIN TODARO
MICHAEL S. HOOK
WILLIAM C. ABADIE, JR.
JAMES M. KOLWE
LUCILLE M. HESS
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EMILE A. ALT (1910-1989)
JAMES J. GALLAGHER, JR. (1918-1989)
JACOB F. PEPPERMAN (1927-1990)
WILFRED SCHWARTZ, RETIRED

INDEPENDENT AUDITOR'S REPORT

Mr. Thomas L. Arnold, Assessor
Assessor's Office, Fifth Municipal District
Parish Of Orleans, New Orleans, Louisiana

We have audited the accompanying general purpose financial statements of the Assessor's Office, Fifth Municipal District, Parish Of Orleans, New Orleans, Louisiana, as of April 30, 1996 and 1995, and for the years then ended. These general purpose financial statements are the responsibility of the Assessor. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that 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 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's Office, Fifth Municipal District, Parish Of Orleans, New Orleans, Louisiana, as of April 30, 1996 and 1995, and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

Pepperman, Emboulas, Schwartz & Todaro, L.P.

Metairie, Louisiana
December 27, 1996

PEPPERMAN, EMBOULAS, SCHWARTZ & TODARO

(A REGISTERED LIMITED LIABILITY PARTNERSHIP)

CERTIFIED PUBLIC ACCOUNTANTS

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COMPLIANCE REPORT

Mr. Thomas L. Arnold, Assessor
Assessor's Office, Fifth Municipal District
Parish Of Orleans, New Orleans, Louisiana

We have audited the general purpose financial statements of the Assessor's Office, Fifth Municipal District, Parish Of Orleans, New Orleans, Louisiana, as of and for the years ended April 30, 1996 and 1995, and have issued our report thereon dated December 27, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Assessor's Office, Fifth Municipal District, Parish Of Orleans, New Orleans, Louisiana, is the responsibility of the Assessor's Office management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Assessor's Office compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions, accordingly, we do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts, or grants, that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of our tests of compliance disclosed the following instances of noncompliance that may be material to the general purpose financial statements.

Revised Statute 24:513 requires that the audit of the Assessor's Office, Fifth Municipal District, Parish Of Orleans, New Orleans, Louisiana, be completed and issued within six months of the close of the Assessor's fiscal year. The audited financial statements of the Assessor were not issued until after the October 30, 1996 statutory deadline. Revised Statute 39:562 prohibits local governments and political subdivisions from incurring long-term indebtedness without the approval of the State Bond Commission. As described in Note 6 the Assessor's Office incurred debt with a maturity date in excess of ninety days without prior approval of the State Bond Commission. Although these failures to follow requirements contained in these statutes may be considered to be material instances of noncompliance there is no effect on the financial information. Accordingly, no provision for any liability has been recognized in the Assessor's financial statements.

We considered these instances of noncompliance in forming our opinion on whether the Assessor's Office, Fifth Municipal District, Parish Of Orleans, New Orleans, Louisiana, general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not effect our report dated December 27, 1996 on those general purpose financial statements.

This report is intended for the information of the Assessor's Office, Fifth Municipal District, Parish Of Orleans, New Orleans, Louisiana, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Chapman, Embouca, Schwartz & Adams, L.L.P.

Certified Public Accountants

Metairie, Louisiana
December 27, 1996

PEPPERMAN, EMBOULAS, SCHWARTZ & TODARO

(A REGISTERED LIMITED LIABILITY PARTNERSHIP)

CERTIFIED PUBLIC ACCOUNTANTS

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WILFRED SCHWARTZ, RETIRED

INTERNAL CONTROL REPORT

Mr. Thomas L. Arnold, Assessor
Assessor's Office, Fifth Municipal District
Parish Of Orleans, New Orleans, Louisiana

We have audited the general purpose financial statements of the Assessor's Office, Fifth Municipal District, Parish Of Orleans, New Orleans, Louisiana, for the years ended April 30, 1996 and 1995, and have issued our report thereon dated December 27, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the Assessor's Office, Fifth Municipal District, Parish Of Orleans, New Orleans, Louisiana, for the years ended April 30, 1996 and 1995, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the Assessor's Office, Fifth Municipal District, Parish Of Orleans, New Orleans, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Assessor's Office, Fifth Municipal District
 Parish Of Orleans, New Orleans, Louisiana

COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS

	1996				
	GOVERNMENTAL FUND TYPE		ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	DEBT SERVICE FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
<u>ASSETS AND OTHER DEBITS:</u>					
Cash	\$ ---	\$ 10,506	\$ ---	\$ ---	\$ 10,506
Equipment, At Cost	---	---	45,935	---	45,935
Prepaid Expense	1,500	---	---	---	1,500
Prepaid Interest	204	---	---	---	204
Deposits	107	---	---	---	107
Other Debits - Amount Provided For Long- Term Debt	---	---	---	10,506	10,506
Total Assets And Other Debits	<u>\$ 1,811</u>	<u>\$ 10,506</u>	<u>\$ 45,935</u>	<u>\$ 10,506</u>	<u>\$ 68,758</u>
<u>LIABILITIES, FUND EQUITY AND OTHER CREDITS:</u>					
Liabilities:					
Cash (Overdraft)	\$ 2,462	\$ ---	\$ ---	\$ ---	\$ 2,462
Accounts Payable	---	---	---	---	---
Payroll Deductions Payable	275	---	---	---	275
Due To Board Of Assessors	10,000	---	---	---	10,000
Due To Assessor	---	---	---	---	---
Leases Payable	---	---	---	1,181	1,181
Notes Payable - FNBC	---	---	---	9,325	9,325
Total Liabilities	<u>\$ 12,737</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 10,506</u>	<u>\$ 23,243</u>
Fund Equity And Other Credits:					
Investment In General Fixed Assets	\$ ---	\$ ---	\$ 45,935	\$ ---	\$ 45,935
Fund Balance (Deficit):					
Unreserved - Undesignated	(10,926)	---	---	---	(10,926)
Reserved For Debt Service	---	10,506	---	---	10,506
Total Fund Equity (Deficit) And Other Credits	<u>(\$ 10,926)</u>	<u>\$ 10,506</u>	<u>\$ 45,935</u>	<u>\$ ---</u>	<u>\$ 45,515</u>
Total Liabilities, Fund Equity (Deficit), And Other Credits	<u>\$ 1,811</u>	<u>\$ 10,506</u>	<u>\$ 45,935</u>	<u>\$ 10,506</u>	<u>\$ 68,758</u>

See Accompanying Notes

APRIL 30, 1996 AND 1995

GOVERNMENTAL FUND TYPE		1995			TOTAL (MEMORANDUM ONLY)
GENERAL FUND	DEBT SERVICE FUND	ACCOUNT GROUPS GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		
\$ 10,900	\$ 1,825	\$ ---	\$ ---	\$ 12,725	
---	---	32,885	---	32,885	
---	---	---	---	---	
450	---	---	---	450	
107	---	---	---	107	
---	---	---	1,825	1,825	
<u>\$ 11,457</u>	<u>\$ 1,825</u>	<u>\$ 32,885</u>	<u>\$ 1,825</u>	<u>\$ 47,992</u>	
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	
875	---	---	---	875	
264	---	---	---	264	
10,000	---	---	---	10,000	
7,500	---	---	---	7,500	
---	---	---	1,825	1,825	
---	---	---	---	---	
<u>\$ 18,639</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 1,825</u>	<u>\$ 20,464</u>	
\$ ---	\$ ---	\$ 32,885	\$ ---	\$ 32,885	
(7,182)	---	---	---	(7,182)	
---	1,825	---	---	1,825	
<u>(\$ 7,182)</u>	<u>\$ 1,825</u>	<u>\$ 32,885</u>	<u>\$ ---</u>	<u>\$ 27,528</u>	
<u>\$ 11,457</u>	<u>\$ 1,825</u>	<u>\$ 32,885</u>	<u>\$ 1,825</u>	<u>\$ 47,992</u>	

See Accompanying Notes

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
 FOR THE YEARS ENDED APRIL 30, 1996 AND 1995

	1996			1995		
	GENERAL FUND	DEBT SERVICE FUND	TOTAL (MEMORANDUM ONLY)	GENERAL FUND	DEBT SERVICE FUND	TOTAL (MEMORANDUM ONLY)
REVENUES:						
Intergovernmental Revenues:						
Dedicated Millage	\$105,837	\$ ---	\$105,837	\$105,837	\$ ---	\$105,837
State Revenue Sharing	18,452	---	18,452	18,820	---	18,820
Miscellaneous Charges	78	---	78	994	---	994
Total Revenues	\$124,367	\$ ---	\$124,367	\$125,651	\$ ---	\$125,651
EXPENDITURES:						
General Government - Taxation:						
Personal Services And Related Benefits	\$ 75,527	\$ ---	\$ 75,527	\$ 75,041	\$ ---	\$ 75,041
Operating Services	---	---	---	2,500	---	2,500
Materials And Supplies	15,104	---	15,104	10,771	---	10,771
Travel And Other Charges	7,245	---	7,245	5,634	---	5,634
Miscellaneous	14,195	---	14,195	15,478	---	15,478
Debt Service:						
Principal Retirement	---	1,369	1,369	---	586	586
Interest And Charges	---	490	490	---	291	291
Total Expenditures	\$112,071	\$ 1,859	\$113,930	\$109,424	\$ 877	\$110,301
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (Forwarded)						
	\$ 12,296	(\$ 1,859)	\$ 10,437	\$ 16,227	(\$ 877)	\$ 15,350

STATEMENT OF REVENUES, EXPENDITURES AND (Continued)
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR THE YEARS ENDED APRIL 30, 1996 AND 1995

	1996			1995		
	GENERAL FUND	DEBT SERVICE FUND	TOTAL (MEMORANDUM ONLY)	GENERAL FUND	DEBT SERVICE FUND	TOTAL (MEMORANDUM ONLY)
Balance Brought Forward	\$ 12,296	(\$ 1,859)	\$ 10,437	\$ 16,227	(\$ 877)	\$ 15,350
<u>OTHER FINANCING SOURCES (USES):</u>						
Transfers (To) From:						
Debt Service Fund	(\$ 490)	\$ 490	\$ ---	(\$ 291)	\$ 291	\$ ---
General Long-Term Debt Account Group	---	10,050	10,050	---	---	---
General Fixed Assets Account Group	(\$ 15,550)	---	(\$ 15,550)	---	---	---
Total Other Financing Sources (Uses)	(\$ 16,040)	\$ 10,540	(\$ 5,500)	(\$ 291)	\$ 291	\$ ---
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	(\$ 3,744)	\$ 8,681	\$ 4,937	\$ 15,936	(\$ 586)	\$ 15,350
<u>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</u>	(\$ 7,182)	\$ 1,825	(\$ 5,357)	(\$ 23,118)	\$ 2,411	(\$ 20,707)
<u>FUND BALANCE (DEFICIT) AT END OF YEAR</u>	(\$ 10,926)	\$ 10,506	(\$ 420)	(\$ 7,182)	\$ 1,825	(\$ 5,357)

See Accompanying Notes

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEARS ENDED APRIL 30, 1996 AND 1995

	1996			1995		
	GENERAL FUND			GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
Intergovernmental Revenues:						
Dedicated						
Millage	\$105,800	\$105,837	\$ 37	\$105,800	\$105,837	\$ 37
State Revenue Sharing	18,500	18,452	(48)	20,000	18,820	(1,180)
Miscellaneous Charges	---	78	78	---	994	994
Total Revenues	<u>\$124,300</u>	<u>\$124,367</u>	<u>\$ 67</u>	<u>\$125,800</u>	<u>\$125,651</u>	<u>(\$ 149)</u>
EXPENDITURES:						
General Government - Taxation:						
Personal Services And Related Benefits	\$ 76,000	\$ 75,527	\$ 473	\$ 76,000	\$ 75,041	\$ 959
Operating Services	1,500	---	1,500	1,500	2,500	(1,000)
Materials And Supplies	12,000	15,104	(3,104)	7,500	10,771	(3,271)
Travel And Other Charges	6,000	7,245	(1,245)	4,000	5,634	(1,634)
Miscellaneous Charges	15,000	14,195	805	13,600	15,478	(1,878)
Total Expenditures	<u>\$110,500</u>	<u>\$112,071</u>	<u>(\$ 1,571)</u>	<u>\$102,600</u>	<u>\$109,424</u>	<u>(\$ 6,824)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 13,800</u>	<u>\$ 12,296</u>	<u>(\$ 1,504)</u>	<u>\$ 23,200</u>	<u>\$ 16,227</u>	<u>(\$ 6,973)</u>
OTHER FINANCING SOURCES (USES):						
Transfers To:						
Debt Service Fund	\$ ---	(\$ 490)	(\$ 490)	\$ ---	(\$ 291)	(\$ 291)
General Long-Term Debt Account Group	---	---	---	---	---	---
General Fixed Assets Account Group	---	(15,550)	(15,550)	---	---	---
Total Other Financing Sources (Uses)	<u>\$ ---</u>	<u>(\$ 16,040)</u>	<u>(\$ 16,040)</u>	<u>\$ ---</u>	<u>(\$ 291)</u>	<u>(\$ 291)</u>

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
 ALL GOVERNMENTAL FUND TYPES
FOR THE YEARS ENDED APRIL 30, 1996 AND 1995

	1996			1995		
	GENERAL FUND			GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 13,800	(\$ 3,744)	(\$ 17,544)	\$ 23,200	\$ 15,936	(\$ 7,264)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	(\$ 7,182)	(\$ 7,182)	\$ ---	(\$ 23,118)	(\$ 23,118)	\$ ---
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ 6,618</u>	<u>(\$ 10,926)</u>	<u>(\$ 17,544)</u>	<u>\$ 82</u>	<u>(\$ 7,182)</u>	<u>(\$ 7,264)</u>

See Accompanying Notes

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 1996 AND 1995

NOTE 1 - INTRODUCTION AND SUMMARY OF
 SIGNIFICANT ACCOUNTING POLICIES:

INTRODUCTION:

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 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's Office is located in the Orleans Parish City Hall in New Orleans, Louisiana. The assessor employs three (3) employees, including three (3) deputies.

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. The Assessor uses these funds for general operating expenditures. In accordance with Louisiana law, the assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission, as prescribed by law. Once the assessment listing is approved, the assessor submits the assessment roll to the parish tax collector, who is responsible for the collection and distributing of taxes to the various taxing bodies.

Real and movable property assessments of the Fifth Municipal District, Parish Of Orleans as determined at December 31, 1995 and 1994 were as follows:

	<u>NO. UNITS</u>	<u>ASSESSMENTS</u>		<u>INCREASE (DECREASE)</u>
		<u>12-31-95</u>	<u>12-31-94</u>	
Real Property	18,716	\$119,694,903	\$114,836,910	\$ 4,857,993
Personal Property	655	10,110,031	10,464,759	(354,728)
Automotive	24,053	5,012,805	4,124,712	888,093
Public Service Rolls	38	<u>10,103,790</u>	<u>9,495,410</u>	<u>608,380</u>
		<u>\$144,921,529</u>	<u>\$138,921,791</u>	<u>\$ 5,999,738</u>

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

INTRODUCTION: (Continued)

Real and movable property assessments of the Fifth Municipal District, Parish Of Orleans as determined at December 31, 1994 and 1993 were as follows:

	NO. UNITS	ASSESSMENTS		INCREASE (DECREASE)
		12-31-94	12-31-93	
Real Property	18,374	\$114,836,910	\$114,993,280	(\$ 156,370)
Personal Property	644	10,464,759	10,451,120	13,639
Automotive	23,904	4,124,712	4,643,615	(518,903)
Public Service Rolls	39	9,495,410	9,426,400	69,010
		<u>\$138,921,791</u>	<u>\$139,514,415</u>	<u>(\$ 592,624)</u>

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A) BASIS OF PRESENTATION:

The accompanying financial statements of the Assessor's Office, Fifth Municipal District, 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.

B) REPORTING ENTITY:

For financial reporting purposes, the Assessor includes all funds, account groups, activities, et cetera, that are controlled by the assessor as an independently elected parish official. The activities of other independently elected parish officials and municipal level 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.

C) FUND ACCOUNTING:

The Assessor's office 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 - INTRODUCTION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES: (Continued)

C) FUND ACCOUNTING: (Continued)

Funds of the Assessor's office are classified as governmental funds. Governmental funds account for the Assessor'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 Assessor's office include:

Governmental Fund Types:

General Fund:

The General Fund is the general operating fund of the Assessor's Office. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Debt Service Fund:

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt including capital lease obligations, 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 Assessor's records are maintained on the cash basis of accounting. However, the funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures:

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

D) BASIS OF ACCOUNTING: (Continued)

Revenues:

Revenues are recorded as received in cash except for, interest earned but not received on investments, which is accrued at April 30, 1996 and 1995.

Expenditures:

Expenditures are recorded on the accrual basis.

E) BUDGET PRACTICES:

Included in the annual budget of the Assessor's Office, Fifth Municipal District, Parish Of Orleans, proposed expenditures for the year ending April 30, 1996 and 1995 were less than \$250,000 and, therefore, public inspection privileges and public hearings do not apply.

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

The assessor utilizes the traditional budget preparation method of budgeting for his financial plan. Revenues projected for the year ended April 30, 1996 and 1995 were estimated based on millage collections allocated to the Board Of Assessors, which collections were predetermined to approximate prior years revenues. A portion of these revenues is allocated to the Fifth Municipal District for its salary and expense fund. Expenditures of prior years are considered when preparing the budget for the current year.

Unused appropriations for all budgeted funds lapse at year end.

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

F) ENCUMBRANCES:

Encumbrances accounting, under which commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not used by the Assessor's 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 April 30, 1996 and 1995.

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

G) CASH AND CASH EQUIVALENTS:

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. The Assessor's Office 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 assessor may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the assessor 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.

H) GENERAL FIXED ASSETS:

General fixed assets are recorded as expenditures at the time purchased, and the related assets are accounted 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.

I) GENERAL LONG-TERM DEBT:

Long-term obligations expected to be financed from the General Fund are reported 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.

J) COMPENSATED ABSENCES:

The Assessor's office does not employ a formal sick leave policy. Employees are entitled to two weeks paid vacation after one year of employment. There is no accumulation or vesting of leave or vacation.

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 Assessor's policy is to recognize the costs of compensated absences when actually paid to employees.

K) 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 those estimates.

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

L) TOTAL COLUMNS ON THE STATEMENTS - OVERVIEW:

The total columns on the financial statements are captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2 - CASH AND CASH EQUIVALENTS:

The following is a summary of cash (overdraft) at April 30, 1996 and 1995.

	<u>BALANCE</u> <u>APRIL 30,</u> <u>1996</u>	<u>BALANCE</u> <u>APRIL 30,</u> <u>1995</u>
Demand Deposits - FNBC	<u>\$ 8,044</u>	<u>\$ 12,725</u>

These deposits are stated at cost which approximates market. Under state law, these deposits (or 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 bank. These pledged securities are held in the name of the pledging bank, in a custodial bank that is mutually acceptable to the parties involved. At April 30, 1996 and 1995 there were no unsecured deposits.

NOTE 3 - GENERAL FIXED ASSETS - ACCOUNT GROUP:

The following is a summary of the General Fixed Assets Account Group.

	<u>AUTOMOTIVE</u>	<u>OFFICE</u> <u>EQUIPMENT</u>	<u>TOTAL</u>
Balance May 1, 1994	\$ 2,500	\$ 30,385	\$ 32,885
Purchases	<u>---</u>	<u>---</u>	<u>---</u>
Balance April 30, 1995	\$ 2,500	\$ 30,385	\$ 32,885
Purchases	11,780	3,770	15,550
Dispositions	<u>(2,500)</u>	<u>---</u>	<u>(2,500)</u>
Balance April 30, 1996	<u>\$ 11,780</u>	<u>\$ 34,155</u>	<u>\$ 45,935</u>

NOTE 4 - DUE TO ASSESSOR:

Amount due to the Assessor represents a temporary cash advance from Thomas L. Arnold, Assessor, 5th Municipal District, Parish of Orleans. The following is a summary of the amount due to the Assessor at April 30, 1996 and 1995:

	<u>1996</u>	<u>1995</u>
Amount Due on Demand, With Interest Payable Monthly at 7% (Variable).	\$ <u>---</u>	\$ <u>7,500</u>

NOTE 5 - LEASES PAYABLE:

The Assessor records items under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of capital leases:

	<u>APRIL 30, 1996</u>	<u>APRIL 30, 1995</u>
Equipment	\$ <u>1,181</u>	\$ <u>1,825</u>

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of April 30, 1996 and 1995:

	<u>1996 EQUIPMENT</u>	<u>1995 EQUIPMENT</u>
1996	\$ ---	\$ 644
1997	644	644
1998	<u>537</u>	<u>537</u>
Total Minimum Lease Payments	\$1,181	\$1,825
Less Amount Representing Interest	<u>203</u>	<u>450</u>
Present Value Of Net Minimum Lease Payments	<u>\$ 978</u>	<u>\$1,375</u>

NOTE 6 - GENERAL LONG-TERM OBLIGATIONS:

The following is a summary of the long-term obligation transactions during the year:

NOTE 6 - GENERAL LONG-TERM OBLIGATIONS: (Continued)

	<u>CAPITAL LEASES</u>	<u>NOTES PAYABLE BANK</u>	<u>TOTAL</u>
Long-Term Obligations Payable At May 1, 1994	\$2,411	\$ ---	\$ 2,411
Additions	---	---	---
(Deductions)	(586)	---	(586)
Long-term Obligations Payable At April 30, 1995	\$1,825	\$ ---	\$ 1,825
Additions:			
Note Payable To First National Bank Of Commerce; Interest At 9.5%, Monthly Installments Of Principle And Interest Amount To \$323, Matures 01-02-99, Secured By Automotive Equipment	---	10,050	10,050
(Deductions)	(644)	(725)	(1,369)
Long-term Obligations Payable At April 30, 1996	<u>\$1,181</u>	<u>\$ 9,325</u>	<u>\$10,506</u>

Maturities of long-term obligations are as follows:

	<u>APRIL 30, 1996</u>			<u>APRIL 30, 1995</u>		
	<u>CAPITAL LEASE</u>	<u>NOTE PAYABLE BANK</u>	<u>TOTAL</u>	<u>CAPITAL LEASE</u>	<u>NOTE PAYABLE BANK</u>	<u>TOTAL</u>
1996	\$ ---	\$ ---	\$ ---	\$ 644	\$---	\$ 644
1997	644	3,123	3,767	644	---	644
1998	537	3,432	3,969	537	---	537
1999	---	<u>2,770</u>	<u>2,770</u>	---	---	---
Totals	<u>\$1,181</u>	<u>\$9,325</u>	<u>\$10,506</u>	<u>\$1,825</u>	<u>\$---</u>	<u>\$1,825</u>

NOTE 7 - FUND DEFICITS:

At April 30, 1996 and 1995 the General Fund had a deficit balance of (\$10,926) and (\$7,182), respectively. Management plans to eliminate this deficit by reducing salaries through attrition and the increase of revenue through the Assessor's participation in state revenue sharing.

NOTE 8 - PENSION PLAN:

Plan Description

Substantially all employees of the Assessor's Office, Fifth Municipal District 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 who are under the age of 60 at the time of original employment and 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 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. 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 employees 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 1786, Shreveport, Louisiana 71166-1786, or by calling (318) 425-4446.

Funding Policy

Plan members are required by state statute to contribute 7.0 percent of their annual covered salary and the Assessor's Office, Fifth Municipal District is required to contribute at an actuarially determined rate. The current rate at April 30, 1996 and 1995 was 6.0 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 Assessor's Office, Fifth Municipal District are established and may be amended by state statute. As provided by Louisiana Revised Statute 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 Office, Fifth Municipal District contributions to the System for the years ending April 30, 1996, 1995 and 1994 were \$3,557, \$3,957 and \$5,731, respectively, equal to the required contributions for each year.