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SECOND MUNICIPAL DISTRICT ASSESSOR
PARISH OF ORLEANS
NEW ORLEANS, LOUISIANA
COMPILATION REPORT AND
GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2003

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

Release Date 9-1-04

Second Municipal District Assessor
Parish Of Orleans
New Orleans, Louisiana

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

S. IRVIN TODARO
WILLIAM C. ABADIE, JR.
JAMES M. KOLWE
LUCILLE M. HESS
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JOHN F. HARTMAN (1890-1967)
WILLIAM G. ALY (1901-1995)
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WILFRED SCHWARTZ, RETIRED
MICHAEL S. HOOK (1954-1997)
LAWRENCE A. EMBOULAS, RETIRED

ACCOUNTANT'S COMPILATION REPORT

Claude T. Mauberret, Assessor
Second Municipal District Assessor
Parish Of Orleans
New Orleans, Louisiana

We have compiled the accompanying general purpose financial statements of the SECOND MUNICIPAL DISTRICT ASSESSOR, PARISH OF ORLEANS, NEW ORLEANS, LOUISIANA, as of December 31, 2003, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated June 9, 2004, on the results of our agreed-upon procedures.

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

Metairie, Louisiana
June 9, 2004

Second Municipal District Assessor
 Parish Of Orleans
 New Orleans, Louisiana

Exhibit "A"

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2003

	GOVERNMENTAL FUND TYPE	ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY)
	GENERAL FUND	GENERAL FIXED ASSETS	
<u>ASSETS AND OTHER DEBITS:</u>			
Cash And Cash Equivalents	\$ 71,889	\$ ---	\$ 71,889
Investments, At Cost	30,812	---	30,812
Accounts Receivable - Fees	13,244	---	13,244
Prepaid Expense	8,166	---	8,166
Fixed Assets	---	17,425	17,425
Total Assets And Other Debits	<u>\$124,111</u>	<u>\$ 17,425</u>	<u>\$141,536</u>
<u>LIABILITIES, FUND EQUITY AND OTHER CREDITS:</u>			
Liabilities:			
Accounts Payable	\$ 106	\$ ---	\$ 106
Total Liabilities	\$ 106	\$ ---	\$ 106
Fund Equity And Other Credits:			
Investment In General Fixed Assets	\$ ---	\$ 17,425	\$ 17,425
Fund Balance:			
Unreserved - Undesignated	124,005	---	124,005
Total Fund Equity And Other Credits	<u>\$124,005</u>	<u>\$ 17,425</u>	<u>\$141,430</u>
Total Liabilities, Fund Equity And Other Credits	<u>\$124,111</u>	<u>\$ 17,425</u>	<u>\$141,536</u>

See Accompanying Notes And Accountant's Report

Second Municipal District Assessor
Parish Of Orleans
New Orleans, Louisiana

Exhibit "B"

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>GENERAL FUND</u>
<u>REVENUES:</u>	
Intergovernmental Revenues:	
Compensation From Taxing Bodies	\$226,028
On-Behalf Payments	112,422
Interest Income	<u>798</u>
 Total Revenues	 <u>\$339,248</u>
<u>EXPENDITURES:</u>	
General Government - Taxation:	
Personal Services And Related Benefits	\$320,275
Materials And Supplies	1,251
Other Services And Charges	15,719
Travel And Other Charges	2,871
Miscellaneous	<u>12,155</u>
 Total Expenditures	 <u>\$352,271</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	 <u>(\$ 13,023)</u>
 <u>FUND BALANCE AT BEGINNING OF YEAR</u>	 <u>137,028</u>
 <u>FUND BALANCE AT END OF YEAR</u>	 <u>\$124,005</u>

See Accompanying Notes And Accountant's Report

Second Municipal District Assessor
 Parish Of Orleans
 New Orleans, Louisiana

Exhibit "C"

**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>GENERAL FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Intergovernmental Revenues:			
Compensation From Taxing Bodies	\$230,400	\$226,028	(\$ 4,372)
On-Behalf Payments	---	112,422	112,422
Interest Income	<u>1,600</u>	<u>798</u>	<u>(802)</u>
Total Revenues	<u>\$232,000</u>	<u>\$339,248</u>	<u>\$107,248</u>
EXPENDITURES:			
General Government - Taxation:			
Personal Services And Related Benefits	\$201,500	\$320,275	(\$118,775)
Materials And Supplies	2,400	1,251	1,149
Other Services And Charges	14,600	15,719	(1,119)
Travel And Other Charges	2,500	2,871	(371)
Miscellaneous	<u>11,000</u>	<u>12,155</u>	<u>(1,155)</u>
Total Expenditures	<u>\$232,000</u>	<u>\$352,271</u>	<u>(\$120,271)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ ---	(\$ 13,023)	(\$ 13,023)
FUND BALANCE AT BEGINNING OF YEAR	<u>137,028</u>	<u>137,028</u>	<u>---</u>
FUND BALANCE AT END OF YEAR	<u>\$137,028</u>	<u>\$124,005</u>	<u>(\$ 13,023)</u>

See Accompanying Notes And Accountant's Report

Second Municipal District Assessor
Parish Of Orleans
New Orleans, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

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 Assessor shall be elected from each municipal district of New Orleans, and each shall be a resident of the district from which he is elected.

All assessor offices are located on the 4th floor of the Orleans Parish City Hall, 1300 Perdido Street. Louisiana Revised Statute (R.S.) 47:1909 states that the governing authority of the city of New Orleans shall provide suitable rooms in the city hall for the use of the assessor of each municipal district and for the use of the board of assessors. Therefore, the upkeep and maintenance costs of the assessors' offices are not included in the accompanying financial statements.

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

The 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 employs five (5) employees, including two (2) deputies.

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

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 August 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 collecting and distributing taxes to the various taxing bodies.

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

At December 31, 2003, real property and movable property assessments totaled \$285,427,977 and \$60,194,788, respectively. This represents an increase of \$7,390,311 in the total value of assessments. The increase in total tax assessments was caused primarily by the increasing value of real property assessments in the district during the year.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A) BASIS OF PRESENTATION:

The accompanying general purpose financial statements of the Second Municipal District Assessor, 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.

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)

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.

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 cost.

An account group is not a fund. It is concerned only with the measurement of financial position and does 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:

Revenues:

Revenues are recorded as received in cash except for interest earned but not received on investments, which is accrued at December 31, 2003.

Expenditures:

Expenditures are recorded on the accrual basis.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES : (Continued)

E) BUDGET PRACTICES :

Included in the annual budget of the Second Municipal District Assessor, Parish Of Orleans, proposed expenditures for the year ending December 31, 2003 were less than \$250,000 and, therefore, public inspection privileges and public hearings do not apply. However, the budget is available for public inspection at the Assessor's Office.

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 December 31, 2003 were estimated based on millage collections allocated to the Board Of Assessors. A portion of these revenues is allocated to the Second Municipal District for its salary and expense fund. Expenditures of prior year are considered when preparing the budget for the current year.

Unused appropriations for all budgeted funds lapse at year end.

F) ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES :

On-behalf payments for fringe benefits and salaries totaled \$112,422 for the year. The Assessor's salary of \$87,740 was paid directly to the Assessor from the board. In addition, the board paid fringe benefits totaling \$24,682 on-behalf of the Assessor. On-behalf payments are reported as revenues (on-behalf payments) and expenditures (personal services and related benefits) in Exhibit B.

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

G) 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 December 31, 2003.

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

H) 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, 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 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.

I) 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.

J) COMPENSATED ABSENCES:

Employees of the Assessor are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service, and other factors. 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) 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.

L) 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 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 (GASB Category 1).

Cash And Cash Equivalents:

Demand Deposits - Bank One, Louisiana, NA	\$ 6,889
Certificate Of Deposit - Whitney National Bank	<u>65,000</u>
	<u>\$ 71,889</u>

Collateral:

Federal Deposit Insurance	<u>\$200,000</u>
Uninsured Balance	<u>\$ ---</u>

These deposits 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 equal 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 both parties.

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 150.165, the investment in LAMP is not categorized into the three risk categories provided by GASB Codification Section 150.164 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

NOTE 3 - INVESTMENTS: (Continued)

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 397 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, 2003, the Second Municipal District Assessor, held investments totaling \$30,812 as follows:

	<u>CARRYING AMOUNT</u>	<u>MARKET VALUE</u>
Louisiana Asset Management Pool	<u>\$30,812</u>	<u>\$30,812</u>

The investments are in the name of the Second Municipal District Assessor and are held at the Assessor's office.

NOTE 4 - GENERAL FIXED ASSET - ACCOUNT GROUP:

The following is a summary of changes in the General Fixed Asset Account Group.

Balance, January 1, 2003	\$17,425
Purchases	<u>---</u>
Balance December 31, 2003	<u>\$17,425</u>

NOTE 5 - RISK MANAGEMENT:

The Assessor's Office is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Assessor's Office is covered by commercial insurance carried by the Board of Assessors. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 6 - OPERATING LEASES:

The Assessor leases certain automotive equipment under an operating lease agreement. The lease expires in July 2005. The following is a schedule of future minimum lease payments by year as of December 31, 2003.

	<u>AMOUNT</u>
2004	\$ 5,444
2005	<u>2,722</u>
	<u>\$ 8,166</u>

Total rent expense under operating leases for the year ended December 31, 2003 amounted to \$5,444.

NOTE 7 - PENSION PLAN:

Plan Description:

Substantially all employees of the Second Municipal District Assessor 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 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 prior to July 1999, and 3.33% 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 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

NOTE 7 - PENSION PLAN: (Continued)

Plan Description: (Continued)

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

Funding Policy:

Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the Second Municipal District Assessor is required to contribute at an actuarially determined rate. The current rate is 14.00 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 Second Municipal District Assessor, 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 Second Municipal District Assessor's contributions to the System for the years ending December 31, 2003, 2002 and 2001, were \$16,893, \$13,110, and \$7,276, respectively, equal to the required contributions for each year.

NOTE 8 - GASB 34 IMPLEMENTATION:

The GASB issued Statement Number 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, in June 1999. 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, 1999 (earlier application is encouraged). The Assessor is required to implement the provisions for the pronouncement for financial statements for the period beginning after June 15, 2003, because total annual revenues were less than \$10 million in the year ending December 31, 1999. GASB Statement Number 34 establishes a new governmental financial reporting model 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 Assessor's financial statement are not known at this time; however, the pronouncement will be implemented for the year ending December 31, 2004, if not implemented earlier.

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

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Claude T. Mauberret, Assessor

Second Municipal District Assessor

Parish Of Orleans

New Orleans, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Second Municipal District Assessor, Parish of Orleans, and the Legislative Auditor, State Of Louisiana, solely to assist the users in evaluating management's assertions about the Assessor's Office compliance with certain laws and regulations during the year ended December 31, 2003 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$15,000. Additionally, there were no expenditures made for public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of the Assessor as defined by LSA-RS 42:1101-1124 (The code of ethics), and a list of outside business interests of the Assessor and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management (agreed-upon procedures "3") appeared on the list provided by management in agreed-upon procedure (2) except for Barbara D. Mauberret, employed as a chief clerk, who is listed as the mother of Claude T. Mauberret, Assessor. However, the Assessor is not in violation of LSA-RS 42:1119 in so far as Mrs. Mauberret is exempt from the provisions of this section because she was employed prior to the effective date of such provision.

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the letter from the Assessor dated December 9, 2002 which officially authorizes the implementation of the adopted budget of the Assessor's Office. No amendments were made to the budget during the year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared revenues and expenditures of the final budget to actual revenues and expenditures. As stated in the Summary of Significant Accounting Policies, the Assessor does not use formal budgetary integration as a management control device during the year. Therefore budget figures are original amounts without amendment.

Actual revenues that failed to meet budgeted amounts by more than 5% are as follows;

	(Unfavorable)
	<u>Variance</u>
Interest Income	(50.1%)

This unfavorable variance is due to the decline in interest rates, the extent to which could not be anticipated at the time of budget preparation.

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

	(Unfavorable) Variance
Other Services and Charges	(7.6%)
Travel And Other Charges	(14.8%)
Miscellaneous	(10.5%)

These unfavorable variances are due to unforeseen increases in the cost of gasoline, travel, postage and printing not anticipated at the time of budget preparation.

Accounting And Reporting

8. Randomly select six (6) disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six (6) selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

We examined supporting documentation for each of the six selected disbursements and found that all were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the chief clerk and the Assessor.

Meetings

9. Examine evidence indicating that agendas for meetings were posted or advertised as required by LSA-RS 42:12 (the open meetings law).

The Second Municipal District Assessor's Office is comprised of the Assessor, an independently elected official and his employees. The Assessor's Office provides an administrative function only and held no meetings to deliberate or act upon policy making decisions. Management has asserted that the Assessor's Office has complied with the provisions of the open meetings law, however, our inquiry indicated that there were no meetings held, as the public body subject to the open meetings law consists of the Assessor alone.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

We inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Our prior year report dated June 15, 2003 did not include any comments or unresolved matters.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Second Municipal District Assessor, Parish of Orleans, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Pepperman, Emboules, Schwarty & Todaro, L.L.C.

Metairie, Louisiana
June 9, 2004

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)
April 30, 2004 (Date Transmitted)

Pepperman, Emboulas, Schwartz & Todaro, LLC
1815 Clearview Parkway
Metairie, LA 70001

(Auditors)

In connection with your compilation of our financial statements as of December 31, 2003 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of April 30, 2004.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [X] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [X] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [X] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [X] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [X] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [X] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [X] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [X] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [X] No []

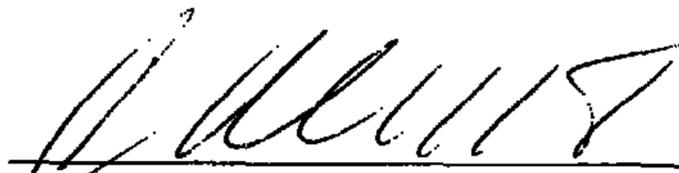
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.



Claude T. Mauberret, Assessor

President April 30, 2004 Date

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

S. IRVIN TODARO
WILLIAM C. ABADIE, JR.
JAMES M. KOLWE
LUCILLE M. HESS
WAYNE J. BABIN, JR.

ANTHONY L. TERRANOVA, JR.
ROBERT W. THERIOT

CERTIFIED PUBLIC ACCOUNTANTS
1815 CLEARVIEW PARKWAY
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JOHN F. HARTMAN (1890-1967)
WILLIAM G. ALY (1901-1995)
EUGENE F. MONNIER (1905-1985)
EMILE A. ALT (1910-1989)
JAMES J. GALLAGHER, JR. (1918-1989)
JACOB F. PEPPERMAN (1927-1990)
WILFRED SCHWARTZ, RETIRED
MICHAEL S. HOOK (1954-1997)
LAWRENCE A. EMBOULAS, RETIRED

June 30, 2004

To Claude T. Mauberret, Assessor,
Second Municipal District, Parish Of Orleans
New Orleans, Louisiana

In planning and performing our compilation of the general purpose financial statements of The Second Municipal District Assessor, Parish Of Orleans, New Orleans, Louisiana, for the year ended December 31, 2003, we considered its internal control structure in order to determine our compilation procedures and not to provide assurance on the internal control structure.

During our compilation we did not become aware of any matters that would be opportunities for strengthening internal controls and operating efficiency. Additionally, we reviewed our prior years management letter and determined that there were no findings, thus no corrective action plan was required.

We will review the status of these comments during our next engagement.

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