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**7<sup>th</sup> MUNICIPAL DISTRICT  
ORLEANS PARISH ASSESSOR**

**Basic Financial Statements  
And Independent Auditor's Report  
As of and for the Year Ended  
September 30, 2004**

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 4-20-05

**KEITH J. ROVIRA**  
*Certified Public Accountant*

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**7TH MUNICIPAL DISTRICT  
ORLEANS PARISH ASSESSOR  
New Orleans, Louisiana  
Basic Financial Statements  
and Independent Auditor's Report  
As of and for the Year Ended  
September 30, 2004**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Henry F. Heaton  
7th Municipal District Orleans Parish Assessor  
A Component Unit of the Orleans Parish Council  
New Orleans, Louisiana

I have audited the accompanying basic financial statements of the 7th Municipal District Orleans Parish Assessor, a component unit of the Orleans Parish Council, as of and for the year ended September 30, 2004, as listed in the table of contents. These basic financial statements are the responsibility of the 7th Municipal District Orleans Parish Assessor. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the 7th Municipal District Orleans Parish Assessor as of September 30, 2004, and the results of operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The 7th Municipal District Orleans Parish Assessor has adopted the

provisions of Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments."

In accordance with Government Auditing Standards, I have also issued a report dated March 3, 2005, on my consideration of the 7th Municipal District Orleans Parish Assessor's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations and contracts. 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 my audit.

Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

My audit was performed for the purpose of expressing an opinion on the basic financial statements taken as a whole. All other accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the 7th Municipal District Orleans Parish Assessor. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Keith J. Rovira  
Certified Public Accountant

March 3, 2005

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
New Orleans, Louisiana  
Management's Discussion and Analysis  
As of and for the Year Ended September 30, 2004

Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" issued June, 1999. Certain comparative information between the current year and prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year and that the GASB Statement No. 34 permits the omission of this comparative information in the first year of adoption of the new reporting model, the assessor elected to exclude the information in this report. Subsequent reports will include the comparative information.

#### FINANCIAL HIGHLIGHTS

The minimum requirements for financial reporting on the 7th Municipal District Orleans Parish Assessor's office that was established by GASB No. 34 are divided into the following sections:

- (a) Management's Discussion and Analysis
- (b) Basic Financial Statements
- (c) Required Supplementary Information (other than MD&A)

#### Basic Financial Statements:

The basic financial statements present information for the assessor as a whole, in a format designed to make the statements easier for the reader to understand. The financial statements in this section are divided into the two following types:

- (1) Government-Wide Financial Statements, which include a Statement of Net Assets and a Statement of Activities. These statements present financial information for all activities of the assessor from an economic resources measurement focus using the accrual basis of accounting and providing both short-term and long-term information about the assessor's overall financial status.

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
 New Orleans, Louisiana  
 Management's Discussion and Analysis (Continued)  
 As of and for the Year Ended September 30, 2004

(2) Fund Financial Statements, which include a Balance Sheet and a Statement of Revenues, Expenses, and Changes in Fund Balance for the General Fund (a governmental fund). These financial statements present information on the individual fund of the assessor allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements is dependent on the fund type. The assessor's only governmental fund is the General Fund. The statements in this section represent the short-term financing of general government.

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets  
 As of September 30, 2004

Current assets	\$ 24,386
Capital assets	<u>3,803</u>
Total Assets	<u>28,189</u>
Liabilities	<u>-</u>
Total Liabilities	<u>-</u>
Net Assets:	
Invested in capital assets, net of debt	3,803
Unrestricted	<u>24,386</u>
Total Net Assets	<u>\$28,189</u>

The assessor does not have any "restricted" net assets. It does have "unrestricted" net assets, and those are net assets that do not have any limitations on what these amounts may be used for.



**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
 New Orleans, Louisiana  
 Management's Discussion and Analysis (Continued)  
 As of and for the Year Ended September 30, 2004

Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 For the year ended September 30, 2004

Revenues	\$160,161
Expenditures	<u>174,627</u>
Net Change in Fund Balance	<u>\$ (14,466)</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

At September 30, 2004, the assessor had \$20,398 invested in capital assets, including office furnishings and equipment. This amount represents the total original cost of the capital assets (before deducting accumulated depreciation). The table below lists capital assets by type, net of accumulated depreciation:

Capital Assets (Net of Depreciation) September 30, 2004	
Office furnishings and equipment	<u>\$3,803</u>
Total	<u>\$3,803</u>

Debt Administration:

The assessor had no debt outstanding at year end.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

For the current fiscal year, total actual revenues were \$9,889 less than total budgeted revenues. Also, total actual expenditures were \$7,373 less than total budgeted expenditures.

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
New Orleans, Louisiana  
Management's Discussion and Analysis (Continued)  
As of and for the Year Ended September 30, 2004

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The assessor considered the following factors and indicators when setting up next year's budget. These factors and indicators include: (1) revenues to be received from the collection of ad valorem taxes; (2) additional salaries and related costs due to an increase in health care and retirement contributions; (3) other operating costs of the office in the process of providing services to the public. The assessor expects that next year's revenues will be sufficient to cover expenses.

**CONTACTING THE ASSESSOR**

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the assessor's finances, and to show the assessor's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Mr. Henry Heaton, 7th Municipal District Orleans Parish Assessor, at 4E01 City Hall-Civic Center, New Orleans, Louisiana, 70112, or call the office at 504-488-4424.

**BASIC FINANCIAL STATEMENTS**  
**(GOVERNMENT-WIDE FINANCIAL STATEMENTS)**

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
 New Orleans, Louisiana  
 Statement of Net Assets  
 As of September 30, 2004

<b>ASSETS</b>	
Cash (Note B)	\$24,386
Capital assets (net of depreciation) (Note C)	<u>3,803</u>
TOTAL ASSETS	<u>28,189</u>
 <b>LIABILITIES</b>	
TOTAL LIABILITIES	<u>-</u>
 <b>NET ASSETS</b>	
Invested in capital assets	3,803
Unrestricted	<u>24,386</u>
TOTAL NET ASSETS	<u>\$28,189</u>

The accompanying notes are an integral part of this statement.

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
 New Orleans, Louisiana  
 Statement of Activities  
 For the Year Ended September 30, 2004

**EXPENSES**

## Governmental Activities:

General government	\$174,627
Depreciation expense	<u>1,019</u>

Total Expenses	<u>175,646</u>
----------------	----------------

**GENERAL REVENUES**

Intergovernmental - Compensation from taxing bodies	160,126
Interest	<u>35</u>

Total General Revenue	<u>160,161</u>
-----------------------	----------------

Change in Net Assets	(15,485)
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Net assets at beginning of year (restated)	<u>43,674</u>
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Net assets at end of year	<u><u>\$28,189</u></u>
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The accompanying notes are an integral part of this statement.

**BASIC FINANCIAL STATEMENTS**  
**(FUND FINANCIAL STATEMENTS)**

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
New Orleans, Louisiana  
Balance Sheet  
General Fund - Governmental Fund  
September 30, 2004

**ASSETS**

Cash (Note B)	<u>\$24,386</u>
TOTAL ASSETS	<u>\$24,386</u>

**LIABILITIES**

TOTAL LIABILITIES	<u>-</u>
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**LIABILITIES AND FUND BALANCE**

Liabilities:	<u>-</u>
Fund balance - unreserved and undesignated	<u>\$24,386</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$24,386</u></u>

The accompanying notes are an integral part of this statement.

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
New Orleans, Louisiana  
Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Assets  
September 30, 2004

Total Fund Balance - Governmental Fund \$24,386

Amounts reported for governmental activities  
in the Statement of Net Assets are different  
because:

Capital assets used in governmental  
activities are not current financial  
resources and, therefore, are not  
reported in the Governmental Funds  
Balance Sheet.

3,803

Total Net Assets of Governmental Activities \$28,189

The accompanying notes are an integral part of this statement.



**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
 New Orleans, Louisiana  
 Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 General Fund - Governmental Fund  
 For the Year Ended September 30, 2004

**REVENUES**

Intergovernmental revenues -	
Compensation from taxing bodies	\$160,126
Interest earnings	<u>35</u>
Total Revenues	<u>160,161</u>

**EXPENDITURES**

Personal services and related benefits	133,986
Travel and automotive	13,405
Office supplies and expenditures	16,750
Professional services	6,174
Capital outlay	<u>4,312</u>

Total Expenditures	<u>174,627</u>
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(Deficiency) of Revenues over Expenditures	(14,466)
--	----------

Fund Balance at Beginning of Year	<u>38,852</u>
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Fund Balance at End of Year	<u><u>\$24,386</u></u>
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The accompanying notes are an integral part of this statement.

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
 New Orleans, Louisiana  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balance of the Governmental Fund  
 to the Statement of Activities  
 For the Year Ended September 30, 2004

Net Change in Fund Balance - Governmental Funds	\$(14,466)
---	------------

Amounts reported for governmental activities  
 in the Statement of Activities are different  
 because:

Governmental funds report capital outlays as  
 expenditures. However, in the Statement of  
 Activities, the cost of those assets is  
 allocated over their estimated useful lives  
 as depreciation expense. This is the amount  
 by which depreciation charged exceeded capital  
 outlay in the current period.

(1,019)

Change in Net Assets of Governmental Activities	\$ <u>(15,485)</u>
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The accompanying notes are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS**

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
New Orleans, Louisiana  
Notes to the Financial Statements  
September 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 they are 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 one of the seven assessors' office, the Board of Assessors shall appoint an interim assessor for the unexpired term. The assessors' of Orleans Parish receive their salaries directly from the Board of Assessors. All other payments made to, and for, the assessors, such as employee benefits, come from the funds of the assessor's office.

The assessor's office is located in New Orleans, Louisiana. In accordance with Louisiana law, Title 47, the assessor assesses all real and movable property within this district subject to ad valorem taxation. The assessor completes an assessment listing, exposes this listing for public inspection, submits the list to the governing authority and the Louisiana Tax Commission, who then certifies the tax roll, as prescribed by law. Once the assessment listing is approved, the assessor submits the assessment roll to the tax collector, who is responsible for collecting and distributing taxes to the various tax recipient bodies.

The assessor is authorized to appoint as many deputies as may be necessary for efficient operation of the office and provide assistance to the taxpayers of the parish. 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.

1. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
New Orleans, Louisiana  
Notes to the Financial Statements  
September 30, 2004

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). The codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

In addition, the 7th Municipal District Orleans Parish Assessor adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments for the first time this year. The assessor will be treated as a governmental-type activity for financial reporting purposes in this audit. The minimum requirements for the 7th Municipal District Orleans Parish Assessor's office established by GASB Statement No. 34 are divided into the following sections: (a) Management's Discussion and Analysis, (b) Basic Financial Statements, and (c) Required Supplementary Information (other than MD&A).

The accompanying financial statements of the 7th Municipal District Orleans Parish Assessor present information only as to the transactions of the programs of the assessor as authorized by Louisiana statutes and administrative regulations. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues, such as intergovernmental revenues from compensation from taxing bodies and interest earnings on savings account deposits are recorded in the accounting period in which they are earned and become measurable.

Ad valorem taxes are assessed on a calendar year basis, and due dates vary depending on when the New Orleans City Council sets the millage rates and the Finance

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
New Orleans, Louisiana  
Notes to the Financial Statements  
September 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Department mails out the bills. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Expense Recognition

Expenses are also recognized on the accrual basis; therefore, expenses, including personal services, travel and automotive, office supplies and expenditures, etc. are recognized in the period incurred, if measurable.

2. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Orleans Parish Council is the financial reporting entity for Orleans Parish. The financial reporting entity consists of (a) the primary government (Orleans Parish Council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component unit should be considered part of the Orleans Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. the ability of the parish council to impose its will on that organization, and/or

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
 New Orleans, Louisiana  
 Notes to the Financial Statements  
 September 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the parish council.
- 2. Organizations for which the parish council does not appoint a voting majority, but are fiscally dependent on the parish council.
- 3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Even though the assessor is an independently elected official, and is legally separate from the parish council, the exclusion from the parish council's financial statements would cause the parish council's financial statements to be misleading or incomplete. Also, the assessor is fiscally dependent on the parish council when the parish council has approval authority over the assessor's capital budget. The parish council has approval authority over the assessor's capital budget because office space is furnished to the assessor by the parish council and title to real property is in the name of the parish council. Because of these reasons, the assessor is determined to be a component unit of the Orleans Parish Council. The accompanying financial statements present information only on the funds maintained by the assessor, and do not present information on the parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

- 3. Fund Accounting  
 The assessor uses a fund (General Fund) 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

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
New Orleans, Louisiana  
Notes to the Financial Statements  
September 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

accounting entity with a self-balancing set of accounts.

The assessor's General Fund is classified as a governmental fund. Governmental funds account for general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of capital assets.

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the only fund of the assessor and accounts for the operation of the assessor's office. Ad valorem tax revenue authorized by Act 292 of 1985 is accounted for in this fund. General operating expenditures are paid from this fund.

4. Budgets

The original proposed budget for the year ended September 30, 2004, was made available for public inspection at the assessor's office and adopted on September 15, 2003.

The budget is legally adopted and amended, as necessary, by the assessor. It is prepared and reported on the accrual basis of accounting. Formal budget integration is employed as a management control device during the year. The assessor reserves all authority to make changes to the budget. When actual revenues fail to meet budgeted revenues by five per cent or more and/or actual expenditures exceed budgeted revenues by five per cent or more, a budget amendment to reflect such change is adopted by the assessor. Budgeted amounts included in the accompanying financial statements include the original adopted budget and any subsequent amendments, if applicable. All appropriations contained in the budget lapse at the end of the year.

5. Deposits with Financial Institutions

Deposits with financial institutions includes cash in a noninterest bearing demand deposit account and in an interest bearing savings account. Under state law, the assessor may deposit funds in demand deposits, interest



**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
New Orleans, Louisiana  
Notes to the Financial Statements  
September 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

6. Compensated Absences  
The assessor has a vacation and sick leave policy, but the policy does not provide for the accumulation and vesting of vacation and sick leave.  
  
At September 30, 2004, the assessor had no material accumulated leave benefits required to be reported in accordance with GASB Codification C60.
7. Capital Assets  
Capital assets are recorded at either historical cost or estimated historical cost and are depreciated over their estimated useful lives (excluding salvage value). Any donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives: office furniture and equipment - 5 years.
8. Long-term Obligations  
There were no long-term obligations at September 30, 2004.
9. Encumbrances  
Encumbrance accounting is not utilized by the assessor due to the nature of operations and the ability of management to monitor budgeted expenditures on a timely basis.
10. Use of Estimates  
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
 New Orleans, Louisiana  
 Notes to the Financial Statements  
 September 30, 2004

**NOTE B - DEPOSITS WITH FINANCIAL INSTITUTIONS**

At September 30, 2004, the carrying amounts (book balances) of all cash of the assessor are listed as follows:

Noninterest bearing demand deposits	\$ 8,203
Interest bearing savings account	<u>16,183</u>
Total	<u>\$24,386</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 or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At September 30, 2004, the assessor had \$38,882 in deposits (collected bank balances), and these deposits were fully secured from risk by federal deposit insurance.

**NOTE C - CAPITAL ASSETS**

The capital assets used in the governmental-type activities are included on the Statement of Net Assets of the assessor and are capitalized at historical cost. Depreciation of all exhaustible capital assets used by the assessor is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Assets. Depreciation expense for financial reporting purposes is computed using the straight-line method over the useful lives of the capital assets and is reported in the Statement of Activities.

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
 New Orleans, Louisiana  
 Notes to the Financial Statements  
 September 30, 2004

NOTE C - CAPITAL ASSETS (CONTINUED)

A summary of changes in capital assets and accumulated depreciation during the year is listed as follows:

	<u>Balance</u> <u>9/30/03</u>	<u>Additions</u>	<u>Retire-</u> <u>ments</u>	<u>Balance</u> <u>9/30/04</u>
<u>Capital Assets</u>				
Office furnishings & equipment	\$16,668	\$3,730	-	\$20,398
Total	<u>\$16,668</u>	<u>\$3,730</u>	<u>-</u>	<u>\$20,398</u>
<u>Less Accumulated Depreciation for</u>				
Office furnishings & equipment	\$15,576	\$1,019	-	\$16,595
Total	<u>\$15,576</u>	<u>\$1,019</u>	<u>-</u>	<u>\$16,595</u>

NOTE D - PENSION PLAN

Plan Description

Substantially all employees of the 7th Municipal District Orleans Parish Assessor's office are members of the Louisiana Assessor's 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.

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
New Orleans, Louisiana  
Notes to the Financial Statements  
September 30, 2004

NOTE D - PENSION PLAN (CONTINUED)

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 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 Assessor's Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318)425-4446.

Funding Policy

For all of fiscal year ended September 30, 2004, plan members (employees) were required by state law to contribute 8.0 percent of their annual covered salary into the retirement system, and the assessor (employer) was required to contribute 14.0 percent of each eligible employee's annual covered payroll into the System. All required employee and employer contributions were made in full.

Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing appropriated by the legislature. The contribution requirements of plan members and the 7th Municipal District Orleans Parish 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 assessor's employer contributions to the System for the years ended September 30, 2004, 2003 and 2002, were \$11,220, \$12,675, and \$8,791, respectively, and these amounts equaled the required contributions for those years.

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**

New Orleans, Louisiana  
Notes to the Financial Statements  
September 30, 2004

**NOTE E - HEALTH CARE AND LIFE INSURANCE BENEFITS**

The 7th Municipal District Orleans Parish Assessor provides certain continuing health care and life insurance benefits for active and retired employees. The plan requires the employees, both active and retired, to bear a portion of the cost. Premiums are paid monthly to insurance companies that provide the applicable benefits. The Louisiana Assessor's Insurance Fund provides health, life, and dental insurance coverage to employees. Cancer and vision insurance coverage is also provided for several individuals. The Assessor's portion of the cost is recognized as an expenditure when paid. As of September 30, 2004, there were 3 active and 5 retired employees participating in the plan of which the assessor was paying for all of the active employees insurance premiums and one of the retired's premiums. The costs of providing benefits for the retired employees for the year was \$3,022, respectively. The costs of providing benefits for the active employees for the year was \$11,088.

**NOTE F - LEASES**Operating Leases

The assessor rents his Carrollton Avenue office in New Orleans on a month-by-month operating lease. For the fiscal year ended September 30, 2004, the assessor paid \$1,650, or \$275 per month for six months on this lease. This lease was cancelled in March, 2004, and no other payments were made after that period.

On June 13, 2001, the assessor had entered into a separate noncancelable operating lease for an automobile. The monthly rental payment was \$500 for a period of 36 months. There were only two payments left to be made on this lease during the fiscal year totaling \$1,000.

On November 17, 2003, the assessor had entered into a separate noncancelable operating lease for a new replacement automobile. The monthly rental payment was \$510 for a period of 36 months. Payments made on this lease during the fiscal year totaled \$5,610.

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
 New Orleans, Louisiana  
 Notes to the Financial Statements  
 September 30, 2004

**NOTE F - LEASES (CONTINUED)**

The minimum annual commitments under all noncancelable operating leases as of September 30, 2004, are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2005	\$ 6,120
2006	6,120
2007	<u>511</u>
Total	<u>\$12,751</u>

There were no other operating leases, and there were no capital leases for the year ended September 30, 2004.

**NOTE G - EXPENDITURES OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS**

The assessor's primary office is located in Orleans Parish City Hall. The upkeep and maintenance of that office is paid by the Orleans Parish Council. These expenditures are not reflected in the accompanying financial statements.

**NOTE H - LITIGATION**

There was no litigation pending against the assessor's office at September 30, 2004.

**NOTE I - PRIOR-YEAR RESTATEMENT OF NET ASSETS**

The following adjustments were made to restate beginning net assets at September 30, 2003, due to the conversion of the assessor's financial statements to GASB No. 34 provisions:

<u>Fund Balance at September 30, 2003, Previously Reported</u>	<u>Adjustments + or -</u>	<u>Beginning Net Assets at September 30, 2004 As Restated</u>
\$38,852	\$(10,663)	\$28,189

**REQUIRED SUPPLEMENTARY INFORMATION**

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
 New Orleans, Louisiana  
 Required Supplementary Information  
 General Fund - Governmental Fund  
 Statement of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended September 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues - compensa- tion from taxing bodies	\$170,000	\$170,000	\$160,126	\$(9,874)
Interest	<u>50</u>	<u>50</u>	<u>35</u>	<u>(15)</u>
Total Revenues	<u>170,050</u>	<u>170,050</u>	<u>160,161</u>	<u>(9,889)</u>
<b>EXPENDITURES</b>				
Personal services and related benefits	140,000	140,000	133,986	6,014
Travel and automotive	14,000	14,000	13,405	595
Office supplies and expenditures	15,000	15,000	16,750	(1,750)
Professional services	6,000	6,000	6,174	(174)
Capital outlay	<u>7,000</u>	<u>7,000</u>	<u>4,312</u>	<u>2,688</u>
Total Expenditures	<u>182,000</u>	<u>182,000</u>	<u>174,627</u>	<u>7,373</u>
Excess (Deficiency) of Revenues over Expenditures	(11,950)	(11,950)	(14,466)	(2,516)
Fund Balance at Beginning of Year	<u>38,852</u>	<u>38,852</u>	<u>38,852</u>	<u>-</u>
Fund Balance at End of Year	<u>\$26,902</u>	<u>\$26,902</u>	<u>\$24,386</u>	<u>\$(2,516)</u>

The accompanying notes are an integral part of this statement.



**SUPPLEMENTARY INFORMATION SCHEDULES**

**7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR**  
New Orleans, Louisiana  
Supplementary Information Schedule  
Summary Schedule of Prior Year Audit Findings and  
Corrective Action Plan for Current Year Audit Findings  
For the Year Ended September 30, 2004

I have audited the accompanying basic financial statements of the 7th Municipal District Orleans Parish Assessor, a component unit of the Orleans Parish Council, as of and for the year ended September 30, 2004, and have issued my report thereon dated March 3, 2005. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of September 30, 2004, resulted in an unqualified opinion.

Section I - Summary of Auditor's Report and Findings

There were no material weaknesses in internal control and no other reportable conditions which required disclosure in this audit report.

There were no instances of noncompliance that were required to be reported in this audit report.

There were no other findings required to be reported, and no management letter was issued for the current audit period.

There were no prior-year audit findings.

The 7th Municipal District Orleans Parish Assessor did not receive any federal funds during the twelve months ended September 30, 2004.

**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

KEITH J. ROVIRA  
CERTIFIED PUBLIC ACCOUNTANT  
3331 METAIRIE ROAD  
METAIRIE, LOUISIANA 70001-5297

(504) 831-4040

FAX (504) 831-4042

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

Honorable Henry F. Heaton  
7th Municipal District Orleans Parish Assessor  
A Component Unit of the Orleans Parish Council  
New Orleans, Louisiana

I have audited the accompanying basic financial statements of the 7th Municipal District Orleans Parish Assessor, a component unit of the Orleans Parish Council, as of and for the year ended September 30, 2004, and have issued my report thereon dated March 3, 2005. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

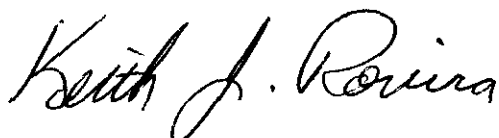
As a part of obtaining reasonable assurance about whether the 7th Municipal District Orleans Parish Assessor's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the 7th Municipal District Orleans Parish Assessor's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over

financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic 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. I noted no matters involving the internal control over financial reporting and its operations that I consider to be material weaknesses.

This report is intended solely for the use of management and the State of Louisiana Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the State of Louisiana Legislative Auditor, is a matter of public record.



Keith J. Rovira  
Certified Public Accountant

March 3, 2005