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7th MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR

**Basic Financial Statements
And Independent Auditor's Report
As of and for the Year Ended
September 30, 2007**

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 7/16/08

KEITH J. ROVIRA
Certified Public Accountant

**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, 2007**

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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, 2007, 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.

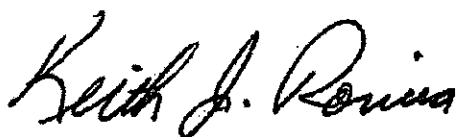
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and 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, 2007, and the results of operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated June 16, 2008, 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 section and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information, and express no opinion on it.

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

June 16, 2008

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, 2007

The Management's Discussion and Analysis (MD&A) of the 7th Municipal District Orleans Parish Assessor's financial performance presents a narrative overview and analysis of the assessor's financial activities for the year ended September 30, 2007. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the basic financial statements. The 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 has been presented in the MD&A.

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, 2007

(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, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Current assets	\$86,358	\$44,289
Capital assets	<u>10,433</u>	<u>3,057</u>
Total Assets	<u>96,791</u>	<u>47,346</u>
Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
Net Assets:		
Invested in capital assets, net of debt	10,433	3,057
Unrestricted	<u>86,358</u>	<u>44,289</u>
Total Net Assets	<u>\$96,791</u>	<u>\$47,346</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, 2007

Statement of Revenues, Expenditures and
Changes in Fund Balance
For the year ended September 30, 2007

	<u>2007</u>	<u>2006</u>
Revenues	\$361,845	\$195,160
Expenditures	<u>295,612</u>	<u>175,257</u>
Net Change in Fund Balance	<u>\$66,233</u>	<u>\$19,903</u>

Revenues increased by \$166,685, or 85%, due to additional funding received to help the assessor's manage their offices after Hurricane Katrina. Expenditures increased \$120,355, or 69%, because the office needed to hire additional employees to assist with the extra workload after the hurricane.

CAPITAL ASSET AND DEBT ADMINISTRATION

At September 30, 2007, the assessor had \$23,233 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, 2007 and 2006		
	<u>2007</u>	<u>2006</u>
Office furnishings and equipment	<u>\$10,433</u>	<u>\$3,057</u>
Total	<u>\$10,433</u>	<u>\$3,057</u>

Debt Administration:

The assessor had no debt outstanding at year end.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Management's Discussion and Analysis (Continued)
As of and for the Year Ended September 30, 2007

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The assessor considered the following factors and indicators when setting up his 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 and additional staff needed; (3) other increased costs of the office as a result of Hurricane Katrina and additional regular costs 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 504-565-7182.

BASIC FINANCIAL STATEMENTS
(GOVERNMENT-WIDE FINANCIAL STATEMENTS)

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Statement of Net Assets
As of September 30, 2007

ASSETS	
Cash and cash equivalents (Note B)	\$80,191
Receivable - due from the assessor for overpaid amounts of his 10% personal expense allowance	6,167
Capital assets (net of depreciation) (Note C)	<u>10,433</u>
TOTAL ASSETS	<u>96,791</u>
 LIABILITIES	
TOTAL LIABILITIES	<u>-</u>
 NET ASSETS	
Invested in capital assets	10,433
Unrestricted	<u>86,358</u>
TOTAL NET ASSETS	<u>\$96,791</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, 2007

EXPENSES

Governmental Activities:	
General government	\$284,527
Depreciation expense	<u>2,963</u>
Total Expenses	<u>287,490</u>

GENERAL REVENUES

Intergovernmental revenues -	
ad valorem tax allotment	<u>361,845</u>
Total General Revenue	<u>361,845</u>
Change in Net Assets	74,355
Net assets at beginning of year	<u>22,436</u>
Net assets at end of year	<u>\$96,791</u>

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, 2007

ASSETS	
Cash and cash equivalents (Note B)	\$80,191
Receivable - due from the assessor for overpaid amounts of his 10% personal expense allowance	<u>6,167</u>
TOTAL ASSETS	<u>\$86,358</u>
 LIABILITIES	
TOTAL LIABILITIES	<u>-</u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	<u>-</u>
Fund balance - unreserved and undesignated	<u>\$86,358</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$86,358</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, 2007

Total Fund Balance - Governmental Fund \$86,358

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.

10,433

Total Net Assets of Governmental Activities \$96,791

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, 2007

REVENUES

Intergovernmental revenues -	
Ad valorem tax allotment	<u>\$361,845</u>
Total Revenues	<u>361,845</u>

EXPENDITURES

Personal services and related benefits	229,356
Travel and automotive	28,197
Office supplies and expenditures	22,248
Professional services	10,993
Capital outlay	<u>4,818</u>
Total Expenditures	<u>295,612</u>

Excess of Revenues over Expenditures	66,233
Fund Balance at Beginning of Year	<u>20,125</u>
Fund Balance at End of Year	<u>\$86,358</u>

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, 2007**

Net Change in Fund Balance - Governmental Funds	\$66,233
-------------------------------------------------	----------

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.

8,122

Change in Net Assets of Governmental Activities	<u>\$74,355</u>
-------------------------------------------------	-----------------

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, 2007

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, 2007

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 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. 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 ad valorem tax allotments and interest earnings on certificates of deposit 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, 2007

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, 2007

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, 2007

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, 2007, was made available for public inspection at the assessor's office on September 5, 2006, and subsequently adopted on September 20, 2006.

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, 2007

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, 2007, 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

The assessor had no long-term obligations outstanding as of September 30, 2007.

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, 2007

NOTE B - DEPOSITS WITH FINANCIAL INSTITUTIONS

At September 30, 2007, the carrying amounts (book balances) of all cash of the assessor are listed as follows:

Noninterest bearing demand deposits	\$19,986
Certificate of deposit	60,000
Interest bearing savings account	<u>205</u>
Total	<u>\$80,191</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, 2007, the assessor had \$80,205 in deposits (collected bank balances), and these deposits were fully secured from risk by \$200,000 of 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, 2007

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>9/30/06</u>	<u>Additions</u>	<u>Retire-</u> <u>ments</u>	<u>Balance</u> <u>9/30/07</u>
<u>Capital Assets</u>				
Office furnishings & equipment	\$ <u>12,148</u>	\$ <u>11,085</u>	-	\$ <u>23,233</u>
Total	\$ <u>12,148</u>	<u>11,085</u>	-	\$ <u>23,233</u>
<u>Less Accumulated Depreciation for</u>				
Office furnishings & equipment	\$ <u>9,837</u>	\$ <u>2,963</u>	-	\$ <u>12,800</u>
Total	\$ <u>9,837</u>	<u>2,963</u>	-	\$ <u>12,800</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, 2007

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 the twelve months ended September 30, 2007, 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 13.5 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, 2007, 2006 and 2005, were \$14,361, \$7,308, and \$8,148, 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, 2007

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, 2007, there were 3 active and 6 retired employees participating in the plan of which the assessor was paying for all of the active employees insurance premiums and part of three of the retired employees' premiums. The costs of providing benefits for the retired employees for the year was \$3,902. The costs of providing benefits for the active employees for the year was \$20,466.

NOTE F - LEASES

Operating Leases

On July 26, 2006, the assessor entered into a separate noncancelable operating lease for a new replacement vehicle. The monthly rental payment was \$500 for a period of 36 months. Payments made on this lease during the current fiscal year totaled \$6,000.

The minimum annual commitments under all noncancelable operating leases as of September 30, 2007, are as follows:

<u>Fiscal Year</u> <u>Ending On</u>	<u>Amount</u>
9/30/08	\$6,000
9/30/09	<u>3,500</u>
Total	<u>\$9,500</u>

There were no other operating leases, and there were no capital leases for the year ended September 30, 2007.

7TH MUNICIPAL DISTRICT ORLEANS PARISH ASSESSOR
New Orleans, Louisiana
Notes to the Financial Statements
September 30, 2007

**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, 2007.

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Intergovernmental				
revenues - ad valorem				
tax allotment	<u>\$362,000</u>	<u>\$362,000</u>	<u>\$361,845</u>	\$(155)
Total Revenues	<u>362,000</u>	<u>362,000</u>	<u>361,845</u>	<u>(155)</u>
 EXPENDITURES				
Personal services and				
related benefits	236,000	236,000	229,356	6,644
Travel and automotive	28,000	28,000	28,197	(197)
Office supplies and				
expenditures	22,000	22,000	22,248	(248)
Professional services	11,000	11,000	10,993	7
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>4,818</u>	<u>182</u>
Total Expenditures	<u>302,000</u>	<u>302,000</u>	<u>295,612</u>	<u>6,388</u>
Excess of Revenues				
over Expenditures	60,000	60,000	66,233	6,233
Fund Balance at				
Beginning of Year	<u>3,000</u>	<u>3,000</u>	<u>20,125</u>	<u>17,125</u>
Fund Balance at				
End of Year	<u>\$63,000</u>	<u>\$63,000</u>	<u>\$86,358</u>	<u>\$23,358</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, 2007

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, 2007, and have issued my report thereon dated June 16, 2008. 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, 2007, resulted in an unqualified opinion.

Section I - Prior Year Audit Findings

Finding No. 1: Delay in the issuance of the assessor's annual audit report (LARS 24:513).

Fiscal Year Finding Initially Occurred: September 30, 2006.

Finding Described: According to Louisiana Revised Statutes, the assessor's annual audit report for the fiscal year ended on September 30, 2006, was due to the Louisiana Legislative Auditor's Office by March 31, 2007. This report was completed on May 22, 2007, and immediately sent to the Louisiana Legislative Auditor's Office.

Corrective Action and Additional Explanation: Due to the vast destruction and delay's caused by Hurricane Katrina, the assessor was unable to meet the March 31, 2007, deadline. Naturally, it was a struggle to ascertain the records needed to complete an accurate audit. In addition, the assessor's son developed cancer in his eye, which required Mr. Heaton to devote time away from the office helping his family with this serious family illness and other related matters. Mr. Heaton's home was also completely flooded out due to the levees breaking, and he is still trying to receive funding so that he can rebuild his family's home.

Completion Date: In spite of these obstacles, Mr. Heaton was able to accumulate the records necessary for the audit process, complete the audit on May 22, 2007, and send it into the Louisiana Legislative Auditor's Office.

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
(Continued)
For the Year Ended September 30, 2007

Section II - Current Year Audit Findings

Finding No. 1: Delay in the issuance of the assessor's annual audit report (LARS 24:513).

Fiscal Year Finding Initially Occurred: September 30, 2006.

Finding Described: According to Louisiana Revised Statutes, the assessor's annual audit report for the fiscal year ended on September 30, 2007, was due to the Louisiana Legislative Auditor's Office by March 31, 2008.

Corrective Action and Additional Explanation: It was a struggle to construct the records needed to complete an accurate audit, since the assessor's office could not actually open up for business until the first week in October, 2006. Due to the vast destruction and delay's caused by Hurricane Katrina, the assessor was unable to meet the March 31, 2008, deadline. In addition, the assessor was still dealing with serious health problems within his family, and trying to rebuild his family's house after it was completely flooded out by Hurricane Katrina.

Completion Date: This report will be completed on or around June 25, 2008, and be sent directly to the Louisiana Legislative Auditor's Office, immediately thereafter.

Finding No. 2: Segregation of Duties

Fiscal Year Finding Initially Occurred: Has existed from inception.

Finding Described: The size of the assessor's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: The assessor is aware of this inadequacy in the internal control structure, however, he feels that to employ additional controls would not be cost beneficial. The assessor already uses an independent accountant to help with the recordkeeping of the office.

Anticipated Completion Date: Not applicable.

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
(Continued)
For the Year Ended September 30, 2007

Section II - Current Year Audit Findings

Finding No. 3: From October 1, 2006 to April 30, 2008 the assessor overpaid himself the 10% personal expense allowance authorized by LARS 47:1907(B).

Fiscal Year Finding Initially Occurred: September 30, 2007.

Finding Described: According to Louisiana Revised Statute 47:1907(B), the assessor may pay himself a 10% personal expense allowance based on his annual compensation as determined by statute and certification requirements. Although not specifically explained in the statute, it has been common practice for assessor's to take only a single twelve-month period's worth of the allowance at a time based on the salary statement they receive approved for each year.

Mr. Heaton believed he could pay himself the 10% personal expense allowances in advance and for his entire period in office beginning on October 1, 2006 and ending on January, 2011. This is not specifically allowed by law, therefore, by taking more than one-year's amount of the allowance, the assessor was not in compliance with Article VII, Section 14 of the 1974 Louisiana State Constitution, which states in part that, "... the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person ..."

Corrective Action and Additional Explanation: Mr. Heaton later realized that he could not advance himself the additional funds, so he immediately paid back into his office's checking account, funds totaling \$45,691.40. This amount was comprised of total monthly allowance overpayments of \$43,306.74, plus \$2,384.66 of interest calculated at 8% per annum.

Completion Date: June 2, 2008.

The assessor's office did not receive any federal funds during the fiscal year under audit.

Contact Person:

Henry F. Heaton, 7th Municipal District Orleans Parish Assessor
4E01 City Hall - Civic Center
New Orleans, LA 70112
Phone #: 504-565-7182

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS 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 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, 2007, and have issued my report thereon dated June 16, 2008. 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 Government Auditing Standards, issued by the Comptroller General of the United States.

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 as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 7th Municipal District Orleans Parish Assessor's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the 7th Municipal District Orleans Parish Assessor's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and

would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as referenced to below, I identified a certain deficiency in the internal control over financial reporting that I consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the assessor's ability to initiate, authorize, record, process, or report financial data reliably in accordance with general accepted accounting principles such that there is more than a remote likelihood that a misstatement of the assessor's financial statements that is more than inconsequential will not be prevented or detected by the assessor's internal control. I consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting (Finding No. 2).

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the assessor's internal control.


My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I considered the significant deficiency described in Finding No. 2 to be a material weakness.

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether the 7th Municipal District Orleans Parish Assessor's 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 instances of noncompliance that are required to be reported under Government Auditing Standards, and which are described in the accompanying schedule of findings and responses as Finding Nos. 1 and 3.

The 7th Municipal District Orleans Parish Assessor's response to the findings identified in my audit are described in the schedule of findings and responses. I did not audit the assessor's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and 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

June 16, 2008