

**CALCASIEU PARISH TAX ASSESSMENT DISTRICT
LAKE CHARLES, LOUISIANA**

**ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORT**

Year Ended December 31, 2009

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

9/29/10

GRACSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

	Page
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	3-10
INDEPENDENT AUDITORS' REPORT	11-12
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of net assets	15
Statement of activities	16
FUND FINANCIAL STATEMENTS	
Balance sheet-governmental funds	18
Reconciliation of the balance sheet-Governmental Funds to the statement of net assets	19
Statement of revenues, expenditures and changes in fund balances-governmental funds	20
Reconciliation of the statement of revenues, expenditures and changes in fund balances-governmental funds to the statement of activities	21
NOTES TO BASIC FINANCIAL STATEMENTS	22-35
REQUIRED SUPPLEMENTAL INFORMATION	
Budgetary comparison schedule-general fund	37
Schedule of funding progress	38
INDEPENDENT AUDITORS' 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	39-40
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	41-45

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Management's Discussion and Analysis

Within this section of the Calcasieu Parish Tax Assessment District's (District) annual financial report, the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the fiscal year ended December 31, 2009. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- The District's assets exceeded its liabilities by \$1,968,118 (net assets) for the fiscal year reported.
- Total revenues of \$2,317,534 exceeded total expenditures of \$2,303,951, which resulted in a current year surplus of \$13,583, compared to a prior year surplus of \$166,455.
- Total net assets are comprised of the following:
 - (1) *Capital assets, net of related debt, of \$162,783 include property and equipment, net of accumulated depreciation.*
 - (2) Unrestricted net assets of \$1,805,335 represent the portion available to maintain the District's continuing obligations to citizens and creditors.
- Overall, the District continues to maintain a strong financial position and is continuing to work to improve on this financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

OVERVIEW OF FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other nonfinancial factors such as diversification of the taxpayer base, or the condition of District infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the District's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Both government-wide financial statements distinguish governmental activities of the District that are principally supported by property taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include principally general government and property assessment.

The government-wide financial statements are presented on pages 15 and 16 of this report.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The District has one kind of fund:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 18 through 21 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information. Budgetary comparison statements are included as "required supplemental information" for the general fund. These statements and schedules demonstrate compliance with the District's adopted and final revised budget. Required supplemental information can be found on pages 37 and 38 of this report.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the District as a whole.

The District's net assets at fiscal year-end are \$1,968,118. The following table provides a summary of the District's net assets:

	<u>2009</u>		<u>2008</u>	
Assets:				
Current assets and other assets	\$ 2,369,838	93%	\$ 1,967,406	93 %
Capital assets	<u>162,783</u>	<u>7</u>	<u>137,425</u>	<u>7</u>
Total assets	<u>2,532,621</u>	<u>100%</u>	<u>2,104,831</u>	<u>100 %</u>
Liabilities:				
Current liabilities	183,174	32%	150,296	100 %
Long-term liabilities	<u>381,329</u>	<u>68</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>564,503</u>	<u>100%</u>	<u>150,296</u>	<u>100 %</u>
Net assets:				
Investment in capital assets, net of debt	162,783	8%	137,425	7 %
Unrestricted	<u>1,805,335</u>	<u>92</u>	<u>1,817,110</u>	<u>93</u>
Total net assets	<u>\$ 1,968,118</u>	<u>100%</u>	<u>\$ 1,954,535</u>	<u>100 %</u>

The District continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio is 13 to 1, compared to 13 to 1 for the prior year.

The District reported positive balances in net assets, which increased by \$13,583. The District's overall financial position did improve during the fiscal year 2009.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

The following table provides a summary of the District's changes in net assets:

	<u>2009</u>		<u>2008</u>	
Revenues:				
Program				
Charges for services	\$ 34,323	2%	\$ 34,503	2 %
General:				
Ad valorem taxes	2,202,351	95	1,770,242	93
Intergovernmental	74,884	3	75,429	4
Interest	446	-	9,686	1
Other	5,530	-	4,073	-
Total Revenues	<u>2,317,534</u>	<u>100%</u>	<u>1,893,933</u>	<u>100 %</u>
Program expenses:				
General and administrative	<u>2,303,951</u>	<u>100%</u>	<u>1,727,478</u>	<u>100 %</u>
Total Expenses	<u>2,303,951</u>	<u>100%</u>	<u>1,727,478</u>	<u>100 %</u>
Change in net assets	13,583		166,455	
Beginning net assets	<u>1,954,535</u>		<u>1,788,080</u>	
Ending net assets	<u>\$ 1,968,118</u>		<u>\$ 1,954,535</u>	

GOVERNMENTAL REVENUES

The District is heavily reliant on property taxes to support governmental operations. Property taxes provided 95% of the District's total revenues.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

GOVERNMENTAL FUNCTIONAL EXPENSES

This table presents the cost of the District's program, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the District's taxpayers by each of these functions

Governmental Activities

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General Government	<u>\$ 2,303,951</u>	<u>\$ 2,269,628</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$2,186,664, which is unreserved indicating availability for continuing District service requirements.

The excess of revenues over expenditures for the governmental funds show an increase of \$369,554 compared to an increase of \$164,370 for the prior year.

The Governmental Fund's ending fund balance is considered very adequate, representing the equivalent of 112% of annual expenditures.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

BUDGETARY HIGHLIGHTS

The actual revenues exceeded the final budget revenues by \$393,534 or 20% and the actual expenditures exceeded the final budget expenditures by \$23,980 or 1%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The District's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2009, was \$162,783. See Note C for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Depreciable assets:	<u>2009</u>	<u>2008</u>
Furniture, fixtures and equipment	\$ 351,830	\$ 295,008
Less accumulated depreciation	<u>189,047</u>	<u>157,583</u>
Book value-depreciable assets	<u>\$ 162,783</u>	<u>\$ 137,425</u>
Percentage depreciated	<u>58 %</u>	<u>53%</u>
Book value-all assets	<u>\$ 162,783</u>	<u>\$ 137,425</u>

The major change in capital assets was the purchases of office furniture, an ATV with trailer and computers.

Long-term debt

The Calcasieu Parish Tax Assessment District contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Assessor's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at December 31, 2009 was \$381,329.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

ECONOMIC CONDITIONS AFFECTING THE DISTRICT

Since the primary revenue stream for the District is property taxes, the District's property tax revenues are subject to changes in the economy.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the District's Assessor Richard J. Cole, Jr., 1101 Lakeshore Drive, Room 101, Lake Charles, LA 70601.



GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

August 18, 2010

Calcasieu Parish Tax Assessment District
Lake Charles, Louisiana

We have audited the accompanying basic financial statements of the governmental activities and the major fund of Calcasieu Parish Tax Assessment District as of and for the year ended December 31, 2009, as listed in the table of contents. These basic financial statements are the responsibility of Calcasieu Parish Tax Assessment District management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of Calcasieu Parish Tax Assessment District as of December 31, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 18, 2010 on our consideration of Calcasieu Parish Tax Assessment District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Calcasieu Parish Tax Assessment District
August 18, 2010
Page Two

The Management's Discussion and Analysis and the required supplemental information are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Gracson, Casiday & Guillory

BASIC FINANCIAL STATEMENTS

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

GRACSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Statement of Net Assets

December 31, 2009

ASSETS

Cash	\$ 21,521
Receivables, net	2,297,550
Prepaid expenses	50,767
Capital assets, net	<u>162,783</u>
Total assets	<u>2,532,621</u>

LIABILITIES

Accrued employee compensation	125,994
Accrued liabilities	57,180
Long-term liabilities-net OPEB obligation	<u>381,329</u>
Total liabilities	<u>564,503</u>

NET ASSETS

Invested in capital assets, net of related debt	162,783
Unrestricted	<u>1,805,335</u>
Total net assets	<u>\$ 1,968,118</u>

The accompanying notes are an integral part of the basic financial statements.

CRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Statement of Activities

Year Ended December 31, 2009

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues (Expenses) and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
General government	\$ 2,303,951	\$ 34,323	\$ -	\$ (2,269,628)
		<u>General Revenues:</u>		
		Property taxes, net		2,202,351
		State revenue sharing		74,884
		Other		5,530
		Interest		446
		Total General Revenues		<u>2,283,211</u>
		Change in Net Assets		<u>13,583</u>
		Net Assets, beginning		<u>1,954,535</u>
		Net Assets, ending		<u>\$ 1,968,118</u>

The accompanying notes are an integral part of the basic financial statements.

GRACSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

FUND FINANCIAL STATEMENTS

GRAGSON, CASIDAY & GULLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2009

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash	\$ 21,521	\$ 133,929
Receivables, net:		
Taxes	2,224,321	1,701,718
Other	23,881	-
Intergovernmental	49,348	77,474
Prepaid expenses	<u>50,767</u>	<u>54,285</u>
 Total assets	 <u>\$ 2,369,838</u>	 <u>\$ 1,967,406</u>
 LIABILITIES AND FUND EQUITY		
Liabilities:		
Accrued employee compensation	\$ 125,994	\$ 147,944
Accrued liabilities	<u>57,180</u>	<u>2,352</u>
Total liabilities	183,174	150,296
 Fund equity:		
Unreserved, undesignated fund balance	<u>2,186,664</u>	<u>1,817,110</u>
 Total liabilities and fund equity	 <u>\$ 2,369,838</u>	 <u>\$ 1,967,406</u>

The accompanying notes are an integral part of the basic financial statements.

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CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

Year Ended December 31, 2009

	<u>2009</u>	<u>2008</u>
REVENUES:		
Ad Valorem Taxes	\$ 2,202,351	\$ 1,770,242
Intergovernmental	74,884	75,429
Charges for services	34,323	34,503
Interest	446	9,686
Other	<u>5,530</u>	<u>4,073</u>
Total revenues	2,317,534	1,893,933
EXPENDITURES:		
Current:		
General government	1,858,273	1,679,879
Capital outlay	<u>89,707</u>	<u>49,684</u>
Total expenditures	<u>1,947,980</u>	<u>1,729,563</u>
EXCESS OF REVENUES OVER EXPENDITURES	369,554	164,370
FUND BALANCE, BEGINNING	<u>1,817,110</u>	<u>1,652,740</u>
FUND BALANCE, ENDING	<u>\$ 2,186,664</u>	<u>\$ 1,817,110</u>

The accompanying notes are an integral part of the basic financial statements.

GRAGSON, CASIDAY & GULLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances-Governmental Funds to the Statement of Activities**

Year Ended December 31, 2009

Total net changes in fund balances at December 31, 2009 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 369,554
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**The change in net assets reported for governmental activities in the
statement of activities is 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 and reported as depreciation expense. Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 89,707	
Depreciation expense for the year ended December 31, 2009	<u>(64,349)</u>	25,358

Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Assets and are not reflected in the Statement of Activities	<u>(381,329)</u>
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Total changes in net assets at December 31, 2009 per Statement of Activities	<u>\$ 13,583</u>
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The accompanying notes are an integral part of the basic financial statements.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
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CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the assessor is elected by the voters of the parish and serves a four-year term. The assessor assesses all real and movable property in the parish subject to ad valorem taxation and submits the rolls to 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 assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and provides assistance to the taxpayers of the parish. As an independently elected official, the Assessor is solely responsible for the operations of his office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

The assessor is an independently elected official; however, the police jury maintains and operates the building in which the assessor's office is located.

GASB Standard No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Standard No. 14, the Calcasieu Parish Tax Assessment District includes all funds, account groups, et cetera, that are within the oversight responsibility of the Calcasieu Parish Tax Assessment District.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Calcasieu Parish Police Jury 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:

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the Calcasieu Parish Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Calcasieu Parish Police Jury.
2. Organizations for which the Calcasieu Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Calcasieu Parish Police Jury.
3. Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the application of these criteria, the Assessor is not a component unit of the Calcasieu Parish Police Jury's reporting entity.

2. Basis of Presentation

The accompanying basic financial statements of Calcasieu Parish Tax Assessment District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments", issued in June 1999.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the District as a whole. The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the District, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

GRAGSON, CASIDAY & GUILLODY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Financial Statements

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed on a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The major fund of the Assessor is described below.

Governmental Fund –

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Assessor and is used to account for the operations of the Assessor's office. The various fees and charges due to the Assessor's office are accounted for in this fund. General operating expenditures are paid from this fund.

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus

On the government-wide statement of net assets and the statement of activities, activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources management focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

When both restricted and unrestricted resources are available for use, it is the Assessor's policy to use restricted resources first, then unrestricted resources as they are needed.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Cash

For reporting purposes, cash includes demand deposits, time deposits, and certificates of deposit. Under state law, the Calcasieu Parish Tax Assessment District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2009, the district has cash equivalents (book balances) totaling (\$12,736) in interest-bearing demand deposit accounts. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting book 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 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 (GASB Category 3). At December 31, 2009, the District has \$25,164 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

5. Budgets

The Calcasieu Parish Tax Assessment District follows these procedures in establishing the budgetary data reflected in the financial statements:

- i. A proposed budget is prepared and submitted to the Assessor for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- ii. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- iii. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- iv. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- v. All budgetary appropriations lapse at the end of each fiscal year.
- vi. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Assessor.

6. Accounts Receivable

Calcasieu Parish Tax Assessment District utilizes the allowance method to recognize doubtful accounts for ad valorem taxes. The allowance for doubtful accounts at December 31, 2009 was \$45,394.

Uncollectible amounts due for other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

7. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Calcasieu Parish Tax Assessment District maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Furniture fixtures and equipment	3-10 years
----------------------------------	------------

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. Compensated Absences

The Calcasieu Parish Tax Assessment District's office has a formal leave policy in which the employees of the assessment district's office earn from 10 to 25 days of vacation each year, depending on length of service with the assessment district. Full-time, permanent employees are granted vacation benefits in varying amounts to the specified maximums depending on years of service. All earned vacation time must be used by the employee and cannot be carried over into the next year. In addition, employees earn 9 days emergency leave (sick leave) each year. Emergency leave not used in the year earned may be carried forward into the following year. Emergency leave is recorded on a "pay as you go" basis. At December 31, 2009 accrued emergency leave was \$125,994.

9. Long-term Debt

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of net OPEB obligations.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

10. Equity Classification

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

GRACSON, CASIDAY & GULLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

**CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

11. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

12. Revenues, Expenditures, and Expenses

Program Revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the District's taxpayers, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The District primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

13. Subsequent Events

Management has evaluated events through August 16, 2010, the date the financial statements were available to be issued.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

14. Comparative Data

Comparative totals for the prior have been presented in some of the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

NOTE B - AD VALOREM TAXES

For the year ended December 31, 2009, taxes were levied on property with taxable assessed valuations as follows:

	<u>Approximate Valuations</u>	<u>Taxes</u>
General corporate purposes	\$ 1,644,705,830	1.38 mills

Total taxes levied during 2009 were \$2,269,715. Taxes receivable at December 31, 2009 were \$2,224,321, net of allowance for uncollectible taxes of \$45,394.

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2009 follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities:				
Furniture, Fixtures and Equipment	\$ 295,008	\$ 89,707	\$ 32,885	\$ 351,830
Less accumulated depreciation for:				
Furniture, Fixtures and Equipment	<u>157,583</u>	<u>64,349</u>	<u>32,885</u>	<u>189,047</u>
Governmental activities Capital Assets, Net	<u>\$ 137,425</u>	<u>\$ 25,358</u>	<u>\$ -</u>	<u>\$ 162,783</u>

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE D - PENSION PLAN

Plan Description. Substantially all employees of the Calcasieu Parish Assessor's office are members of the Louisiana Assessors' Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System.

Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of credited service, not to exceed 100% 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.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana Assessor's Retirement Fund, P.O. Box 14699, Baton Rouge, LA 70898-4699.

Funding Policy. Plan members are required by state statute to contribute 8.0% of their annual covered salary and the Calcasieu Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 13.5% of annual covered payroll. Contributions to the System also include revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Calcasieu Parish Assessor are established and may be amended by state statute. As provided by R.S. 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 Calcasieu Parish Assessor's contributions to the System for the year ending December 31, 2009 were \$148,132.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE E - POST RETIREMENT BENEFITS OTHER THAN PENSION

Plan Description. The Calcasieu Parish Tax Assessor contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Assessor's group health insurance plan, which covers both active and retired members. Benefit provisions are established by the Calcasieu Parish Tax Assessor. The Retiree Health Plan does not issue a publicly available financial report.

Effective with the year ended December 31, 2009, the Calcasieu Parish Tax Assessor implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (GASB 45). This statement has been implemented prospectively. Using this method, the beginning OPEB liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to January 1, 2009) will be amortized and recognized as an expense over thirty years.

Funding Policy. The Assessor pays 100% of retirees' medical and life insurance premiums and 50% of the retirees' dependent medical coverage. The eligibility requirement is that the former employee must have met the requirements of the retirement system. These requirements are at least twelve years of coverage service and at least fifty-five years of age or thirty years of service. The number of participants currently eligible to receive benefits is twenty. For the year ended December 31, 2009, the Assessor contributed \$106,213 to the plan.

Annual OPEB Cost and Net OPEB Obligation. The Assessor's annual other post employment benefit (OPEB) costs (expense) is calculated based on the annual required contribution of the employer (ARC). The Assessor's annual required contribution (ARC) is the sum of the normal cost plus the contribution to amortize the actuarial accrued liability (AAL). A 4% discount rate and amortization period of 30 years (the maximum amortization period allowed by GASB 45) have been used for the post-employment benefits.

Annual require contribution	\$ 487,542
Interest of prior year net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB Cost	487,542
Contributions made	106,213
Increase in net OPEB obligation	381,329
Net OPEB obligation at beginning of year	-
Net OPEB obligation at end of year	<u>\$ 381,329</u>

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE E - POST RETIREMENT BENEFITS OTHER THAN PENSION - CONTINUED

The Assessor's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and net OPEB obligation for the year 2009 was \$487,542, 22%, and \$381,329, respectively.

Funded Status and Funding Process. As of December 31, 2009, the actuarial accrued liability for benefits was \$4,348,819, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$1,094,599, and ratio of unfunded actuarial accrued liability to the covered payroll was 397%.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events for into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the finding status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-trend information about whether the actuarial value of plan asset is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Because requirements of GASB 45 were implemented starting with the year ended December 31, 2009, only one year is available.

Actuarial Methods and Assumptions. The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Assessor's Office and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Assessor and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Assessor's Office and plan members in the future. Consistent with the long term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the Unit Credit Cost Method. This method determines, in a systematic way, the incidence of plan sponsor contributions required to provide plan benefits. It also determines how

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE E - POST RETIREMENT BENEFITS OTHER THAN PENSION - CONTINUED

actuarial gains and losses are recognized in OPEB costs. These gains and losses result from the difference between the actual experience under the plan and what was anticipated by the actuarial assumptions.

The cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the long term assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

NOTE F - DEFERRED COMPENSATION PLAN

Certain employees of Calcasieu Parish Tax Assessment District may participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

NOTE G - EXPENSES OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS

The Calcasieu Parish Tax Assessment District's office is located in the Magnolia Life Building owned by the Calcasieu Parish Police Jury. The upkeep and maintenance of the building is paid by the Calcasieu Parish Police Jury.

NOTE H - RISK MANAGEMENT

The Assessor is exposed to risks of loss in the areas of auto and property liability and surety bonds. All of these risks are handled by purchasing commercial insurance coverage. There has been no significant reduction in the insurance coverage during the year.

NOTE I - LITIGATION

The Calcasieu Parish Tax Assessment District has filed a civil suit for recovery of funds which are believed to be fraudulently obtained from the Calcasieu Parish Tax Assessment District by principals in the previous administration. The previous Assessor was convicted of federal income tax evasion charges and served a thirty-three month prison term. The Louisiana State Police initiated a three month long investigation into funds missing from the Calcasieu Parish Tax

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

NOTE I - LITIGATION - CONTINUED

Assessment District. The information collected by the State Police became part of the basis for a February 19, 2004 audit report by the Louisiana Legislative Auditor's Office which revealed that the previous Assessor diverted approximately \$640,000 to himself from the Calcasieu Parish Tax Assessment District with the assistance of a computer services company.

A settlement has been reached between all parties for \$10,000, payable in 2010.

NOTE J - JOINT SERVICE AGREEMENT

The District has entered into a joint service agreement with the Calcasieu Parish Police Jury for Geographical Information Systems (GIS) Services. The Police Jury shall provide to the District services relating to the update of land parcel ownership records. The agreement is for a period of two years beginning July 1, 2005 with the option to renew annually and the District will fund the total operating expenses for these services. The contract was renewed for July 1, 2009 thru June 30, 2010. The estimated operating expense for the renewal year is \$47,036 of which \$23,518 has been paid through December 31, 2009 and is included in expenses for 2009.

REQUIRED SUPPLEMENTAL INFORMATION

GRAGSON, CASIDAY & GULLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Ad Valorem taxes	\$ 1,800,000	\$ 2,202,351	\$ 402,351
Intergovernmental	75,000	74,884	(116)
Charges for services	35,000	34,323	(677)
Interest	9,000	446	(8,554)
Other	<u>5,000</u>	<u>5,530</u>	<u>530</u>
Total revenues	1,924,000	2,317,534	393,534
EXPENDITURES:			
Current:			
General government	1,854,000	1,858,273	(4,273)
Capital outlay	<u>70,000</u>	<u>89,707</u>	<u>(19,707)</u>
Total expenditures	<u>1,924,000</u>	<u>1,947,980</u>	<u>(23,980)</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	369,554	369,554
FUND BALANCE, BEGINNING	<u>1,817,110</u>	<u>1,817,110</u>	-
FUND BALANCE, ENDING	<u>\$ 1,817,110</u>	<u>\$ 2,186,664</u>	<u>\$ 369,554</u>

GRAGSON, CASIDAY & GUILLORY, L.L.P.
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CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Employee Health Care Plan

December 31, 2009

Schedule of Funding Progress (Unaudited)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
January 1, 2009	\$ 0	\$ 4,348,819	\$ 4,348,819	0.00%	\$ 1,094,599	397%

Note:

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) required that the schedule present information from the last three actuarial valuations. Because the requirements of GASB 45 were implemented starting with the year ended December 31, 2009, only one year is available. Additional information will be added after each of the next two valuations. Subsequent to that, information will be presented for the latest three valuations.

GRAGSON, CASIDAY & GUILFORD, L.L.P.
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CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.
RICHARD W. CASIDAY, C.P.A.
RAYMOND GUILLORY, JR., C.P.A.
GRAHAM A. PORTUS, E.A.
COY T. VINCENT, C.P.A.
MICHELLE LEE, C.P.A.
BRADLEY J. CASIDAY, C.P.A., C.V.A.
JULIA W. PORTUS, C.P.A.

**INDEPENDENT AUDITORS' 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**

August 18, 2010

Calcasieu Parish Tax Assessment District
Lake Charles, Louisiana

We have audited the financial statements of the Calcasieu Parish Tax Assessment District as of and for the year ended December 31, 2009, and have issued our report thereon dated August 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Calcasieu Parish Tax Assessment District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs, that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Calcasieu Parish Tax Assessment District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or others matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs.

Calcasieu Parish Tax Assessment District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Calcasieu Parish Tax Assessment District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Calcasieu Parish Tax Assessment District and the District's management and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Tragson, Casiday & Guillory

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2009

1. Summary of Auditors' Results:

Type of auditors' opinion issued: unqualified

Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no

Control deficiency(ies) identified that are
not considered to be material weakness(es)? ☒ yes ☐ none reported

Noncompliance material to financial statements
noted? ☐ yes ☒ no

2. Findings Relating to the Financial Statements Which Are Required to be Reported in
Accordance with Generally Accepted Governmental Auditing Standards

Finding 2009 -01: Reporting

Condition/Criteria: The District failed to comply with LSA-RS 33:463. The annual financial statements were not filed with the Legislative Auditor within six months of the close of the fiscal year.

Effect: Violation of Louisiana Revised Statute 33:463

Corrective Action Planned/Management Response: The District is aware of the time frame required by LSA-RS 33:463. This year's noncompliance is an isolated instance due to unforeseen circumstances. The District will take steps to ensure future compliance and timely submission of annual financing statements.

Continued

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year Ended December 31, 2009

Finding 2009 – 02: Timely Deposit of Funds

Condition: A District bank account (titled "expense fund") was closed on July 13, 2009 with a remaining balance of \$3,478.91. However, these funds were not deposited into the District's operating account until May 17, 2010.

Criteria: LA R.S. 39:1212. All funds of local authorities shall be deposited daily whenever applicable.

Effect: Violation of LA R.S. 39:1212.

Recommendation: Deposits should be made timely (daily, if applicable), including transfer of funds among District bank accounts.

Corrective Action Planned/Management Response: We concur with this recommendation. This was an isolated instance and due to an administrative finding and oversight. Controls have been strengthened to ensure daily deposits of receipts and transfers.

Finding 2009 – 03: Supporting Documentation

Condition: Charges to the District's credit card, under the control of Richard J. Cole, Jr., did not contain sufficient supporting documentation, including original invoices, to adequately determine business purpose. For 2009, these charges included meals, travel, fuel and computer expenditures totaling \$19,066.76.

Criteria: Expenditures of the District should have sufficient supporting documentation in order to properly determine business purpose, reasonableness and proper approval.

Effect/Cause: Lack of proper and sufficient administrative oversight and controls.

Recommendation: The District should obtain and retain sufficient supporting documentation for all expenditures, whether paid by check or credit card, to demonstrate business purpose.

Corrective Action Planned/Management Response: We concur with the finding and the recommendation. We understood that monthly credit card statements and the respective statement details were sufficient documentation. We will strengthen controls by requiring actual invoices for each credit card charge to be obtained and attached to each monthly statement.

Continued

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year Ended December 31, 2009

Finding 2009 – 04: Auto Lease

Condition: In December 2008, the District entered into a lease for a 2009 Chevrolet Suburban for the Assessor, terms are \$1,929.28 per month for a period of twenty-four months, to be returned at the end of the period. Total of \$46,302.72 will be paid over the term of the lease.

Criteria: It appears that sufficient consideration was not given to the merits of a purchase versus a lease.

Recommendation: The District should consider the financial merits of a purchase versus a lease and choose the option that would garnish the best financial results for the District.

Corrective Action Planned/Management Response: The lease amount appears excessive because of the anticipated high mileage during the lease term. However, when the lease expires, the District will follow the recommendation.

Finding 2009 – 05: Excess Paid to A Retiree

Condition: An employee retired March 19, 2009 and was paid thru December 31, 2009 as a result of accumulated accrued emergency leave and annual vacation leave. However, the former employee was paid an excess of \$13,183.27 due to miscalculations of allowable leave accruals.

Criteria: Article VII, Section 14 of the 1974 Louisiana Constitution. No property or things of value shall be granted to anyone.

Effect: Violation of Article VII, Section 14 of the 1974 Louisiana Constitution.

Cause: Lack of sufficient administrative oversight and controls.

Recommendation: The District should seek reimbursement of the excess. Also, controls should be initiated to ensure proper payments of accrued leave are paid to future retired employees.

Corrective Action Planned/Management Response: We concur with the finding. The excess paid was a result of miscalculations of allowable leave accruals. We will contact the former employee and seek reimbursement of the excess paid. In addition, controls will be strengthened to ensure that this will not occur in the future.

Continued

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year Ended December 31, 2009

Finding 2009 – 06: Misappropriation of Funds

Condition: A check was made payable to Richard J. Cole, Jr. on October 16, 2009 for \$4,140.35 which was not for a business purpose.

Criteria: Article VII, Section 14 of the 1974 Louisiana Constitution. No property or things of value shall be granted to anyone.

Effect: Violation of Article VII, Section 14 of the 1974 Louisiana Constitution.

Cause: Lack of sufficient administrative oversight and controls.

Recommendation: The District should seek reimbursement from Mr. Cole and controls initiated to ensure that such practices will not occur.

Corrective Action Planned/Management Response: We concur with the finding. Reimbursement to the District of the \$4,140.35 was made on August 17, 2010.

Continued

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year Ended December 31, 2009

Finding 2009 – 07: Misappropriation of Funds

Condition: For the year 2009, we noted that the District's American Express card, under the control of Richard J. Cole, Jr., was being utilized for Mr. Cole's personal expenditures. As a result of this finding, we expanded our tests on the credit card to include the months from December 2007 through June 2010. We found that for the months of May 2008 thru June 2010, a total of \$48,158.42 was charged for personal expenditures. During this time period, eight instances occurred where the monthly personal charges were paid/reimbursed for that respective month by Mr. Cole, a total amount of \$12,090.40. The remaining amount of \$36,068.02 has been reimbursed to the District in 2010.

As a note, we also refer to Findings 2009 – 03 and 2009 – 06.

The Louisiana Legislative Auditor and the Calcasieu Parish District Attorney have been notified of this finding, as required by LA R.S. 24:523.

Criteria: Article VII, Section 14 of the 1974 Louisiana Constitution. No property or things of value shall be granted to anyone.

Effect: Violation of Article VII, Section IV of the 1974 Louisiana Constitution.

Cause: Lack of sufficient administrative oversight and controls.

Recommendation: The District should seek reimbursement from Mr. Cole and controls initiated to ensure that such practices will not occur.

Corrective Action Planned/Management Response: We concur with the finding. Reimbursement to the District of the \$36,068.02 was made on August 17, 2010. Controls and oversight have been initiated to ensure against any such practices in the future.

3. Findings and Questioned Costs for Federal Awards

N/A

4. Prior Year Audit Findings

None