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CALCASIEU PARISH TAX ASSESSMENT DISTRICT  
LAKE CHARLES, LOUISIANA  
ANNUAL FINANCIAL REPORT  
AND INDEPENDENT AUDITORS' REPORT  
Year Ended December 31, 2006

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 7/18/07

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**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, 2006. 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 \$1,557,849 (net assets) for the fiscal year reported.
- Total revenues of \$1,695,034 exceeded total expenditures of \$1,377,169, which resulted in a current year surplus of \$317,865, compared to a prior year surplus of \$183,568.
- Total net assets are comprised of the following:
  - (1) Capital assets, net of related debt, of \$151,754 include property and equipment, net of accumulated depreciation.
  - (2) Unrestricted net assets of \$1,406,095 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 concerning the District's budget presentations. 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 page 36 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 \$1,557,849. The following table provides a summary of the District's net assets:

	<u>2006</u>		<u>2005</u>	
Assets:				
Current assets and other assets	\$ 1,712,887	92 %	\$ 1,584,993	90 %
Capital assets	<u>151,754</u>	<u>8</u>	<u>168,225</u>	<u>10</u>
Total assets	<u>1,864,641</u>	<u>100 %</u>	<u>1,753,218</u>	<u>100%</u>
Liabilities:				
Current liabilities	306,792	100 %	513,234	100 %
Long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>306,792</u>	<u>100 %</u>	<u>513,234</u>	<u>100 %</u>
Net assets:				
Investment in capital assets, net of debt	151,754	9 %	168,225	14 %
Unrestricted	<u>1,406,095</u>	<u>91</u>	<u>1,071,759</u>	<u>86</u>
Total net assets	<u>\$ 1,557,849</u>	<u>100 %</u>	<u>\$ 1,239,984</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 5.59 to 1.0, compared to 3.09 to 1.0 for the prior year.

The District reported positive balances in net assets, which increased by \$317,865. The District's overall financial position improved during the fiscal year 2006.

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>2006</u>		<u>2005</u>	
Revenues:				
Program				
Charges for services	\$ 36,350	2 %	\$ 36,174	2%
General:				
Ad valorem taxes	1,561,882	93	1,405,597	92
Intergovernmental	73,191	4	73,257	5
Interest	15,884	1	9,565	-
Other	<u>7,727</u>	<u>-</u>	<u>4,164</u>	<u>1</u>
Total Revenues	<u>1,695,034</u>	<u>100 %</u>	<u>1,528,757</u>	<u>100%</u>
Program expenses:				
General and administrative	1,370,716	99 %	1,341,955	100%
Interest	<u>6,453</u>	<u>1</u>	<u>3,234</u>	<u>-</u>
Total Expenses	<u>1,377,169</u>	<u>100 %</u>	<u>1,345,189</u>	<u>100%</u>
Change in net assets	317,865		183,568	
Beginning net assets	<u>1,239,984</u>		<u>1,056,416</u>	
Ending net assets	<u>\$ 1,557,849</u>		<u>\$ 1,239,984</u>	

GOVERNMENTAL REVENUES

The District is heavily reliant on property taxes to support governmental operations. Property taxes provided 93% 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>\$ 1,377,169</u>	<u>\$ 1,340,819</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 \$1,407,239. Of this year-end total, \$1,407,239 is unreserved indicating availability for continuing District service requirements.

The excess of revenues over expenditures for the governmental funds show an increase of \$332,246 compared to \$49,667 for the prior year.

The Governmental Fund's ending fund balance is considered very adequate, representing the equivalent of 102% 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 \$299,474 or 21% and the actual expenditures were less than the final budget expenditures by \$237,772 or 15%.

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, 2006, was \$151,754. 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>2006</u>	<u>2005</u>
Furniture, fixtures and equipment	\$ 222,872	\$ 200,638
Less accumulated depreciation	<u>71,118</u>	<u>32,413</u>
Book value-depreciable assets	<u>\$ 151,754</u>	<u>\$ 168,225</u>
Percentage depreciated	<u>32 %</u>	<u>16 %</u>
Book value-all assets	<u>\$ 151,754</u>	<u>\$ 168,225</u>

The major change in capital assets was the purchase of computer equipment for \$22,234.

Notes Payable

At the end of the fiscal year, the District had total debt outstanding of \$200,000. All of this amount is backed by the full faith and credit of the District funded by property taxes.

During the year, the District retired \$400,000 of debt and incurred \$200,000 of debt to fund the daily operating activities. See Note G for additional information regarding notes payable.

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.

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.

*Tragson, Casiday & Guillory*

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

CALCASIEU PARISH TAX ASSESSMENT DISTRICT  
Lake Charles, Louisiana

Statement of Net Assets

December 31, 2006

ASSETS	
Cash	\$ 92,143
Deposits	1,150
Receivables, net	1,585,809
Prepaid expenses	33,785
Capital assets, net	<u>151,754</u>
Total assets	<u>1,864,641</u>
LIABILITIES	
Accrued employee compensation	105,648
Interest payable	1,144
Long-term liabilities:	
Due within one year	<u>200,000</u>
Total liabilities	<u>306,792</u>
NET ASSETS	
Invested in capital assets, net of related debt	151,754
Unrestricted	<u>1,406,095</u>
Total net assets	<u>\$ 1,557,849</u>

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT  
 Lake Charles, Louisiana

Statement of Activities

Year Ended December 31, 2006

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u> Charges for Operating Grants Services and Contributions	<u>Net Revenues (Expenses) and</u> <u>Changes in Net Assets</u> Governmental Activities
Governmental Activities:			
General government	\$ (1,377,169)	\$ 36,350	\$ (1,340,819)
		General Revenues:	
		Property taxes, net	1,561,882
		State revenue sharing	73,191
		Other	7,727
		Interest	15,884
		Total General Revenues	<u>1,658,684</u>
		Change in Net Assets	<u>317,865</u>
		Net Assets, beginning	<u>1,239,984</u>
		Net Assets, ending	<u>\$ 1,557,849</u>

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

FUND FINANCIAL STATEMENTS



CALCASIEU PARISH TAX ASSESSMENT DISTRICT  
Lake Charles, Louisiana

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2006

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash	\$ 92,143	\$ 97,976
Deposit	1,150	-
Receivables, net:		
Taxes	1,535,616	1,388,225
Intergovernmental	50,193	75,888
Prepaid expenses	<u>33,785</u>	<u>22,904</u>
Total assets	<u>\$ 1,712,887</u>	<u>\$ 1,584,993</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accounts payable	\$ -	\$ 11,636
Accrued employee compensation	105,648	98,364
Notes payable	<u>200,000</u>	<u>400,000</u>
Total liabilities	305,648	510,000
Fund equity:		
Unreserved, undesignated fund balance	<u>1,407,239</u>	<u>1,074,993</u>
Total liabilities and fund equity	<u>\$ 1,712,887</u>	<u>\$ 1,584,993</u>

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT  
Lake Charles, Louisiana

Reconciliation of the Balance Sheet – Governmental Funds  
to the Statement of Net Assets

December 31, 2006

Total fund balance for governmental funds at December 31, 2006: \$ 1,407,239

Total net assets reported for governmental activities in the statement of  
net assets is different because:

Capital assets used in governmental activities are not financial resources  
and, therefore, are not reported in the funds. Those assets consist of:

Capital assets, net of \$71,118 accumulated depreciation 151,754

Liabilities at December 31, 2006:

Accrued interest payable (1,144)

Total net assets of governmental activities at December 31, 2006 \$ 1,557,849

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT  
Lake Charles, Louisiana

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

Year Ended December 31, 2006

	<u>2006</u>	<u>2005</u>
REVENUES:		
Ad Valorem Taxes	\$ 1,561,882	\$ 1,405,597
Intergovernmental	73,191	73,257
Charges for services	36,350	36,174
Interest	15,884	9,565
Other	<u>7,727</u>	<u>4,164</u>
Total revenues	1,695,034	1,528,757
EXPENDITURES:		
Current:		
General government	1,335,245	1,328,077
Capital outlay	22,234	149,389
Interest expense	<u>5,309</u>	<u>1,624</u>
Total expenditures	<u>1,362,788</u>	<u>1,479,090</u>
EXCESS OF REVENUES OVER EXPENDITURES	332,246	49,667
FUND BALANCE, BEGINNING	<u>1,074,993</u>	<u>1,025,326</u>
FUND BALANCE, ENDING	<u>\$ 1,407,239</u>	<u>\$ 1,074,993</u>

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

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, 2006

Total net changes in fund balances at December 31, 2006 per  
Statement of Revenues, Expenditures and Changes in Fund Balances \$ 332,246

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 \$ 22,234  
Depreciation expense for the year ended December 31, 2006 (38,705) (16,471)

Difference between interest on long-term debt on modified accrual  
basis versus interest on long-term debt on accrual basis 2,090

Total changes in net assets at December 31, 2006 per Statement of Activities \$ 317,865

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT  
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

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, 2006

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.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT  
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

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, 2006

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, 2006

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, 2006, the district has cash equivalents (book balances) totaling \$92,143 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, 2006, the district has \$142,066 in deposits (collected bank balances). These deposits are secured from risk by \$111,823 of federal deposit insurance and \$30,243 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

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.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT  
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

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, 2006 was \$15,511.

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
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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, 2006

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, 2006 accrued emergency leave was \$105,648.

9. Short-term Debt

All short-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The short-term debt consists of a note payable.

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".

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.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT  
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT  
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

NOTE B - AD VALOREM TAXES

For the year ended December 31, 2006, taxes were levied on property with taxable assessed valuations as follows:

	Approximate Valuations	Taxes
General corporate purposes	\$ 1,062,414,142	1.46 mills

Total taxes levied during 2006 were \$1,551,127. Taxes receivable at December 31, 2006 were \$1,535,616, net of allowance for uncollectible taxes of \$15,511.

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2006 follows:

	Beginning of Year	Additions	Deletions	End of Year
Governmental activities:				
Furniture, Fixtures and Equipment	\$ 200,638	\$ 22,234	\$ -	\$ 222,872
Less accumulated depreciation for:				
Furniture, Fixtures and Equipment	<u>32,413</u>	<u>38,705</u>	<u>-</u>	<u>71,118</u>
Governmental activities				
Capital Assets, Net	<u>\$ 168,225</u>	<u>\$ (16,471)</u>	<u>\$ -</u>	<u>\$ 151,754</u>

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.

Continued

CALCASIEU PARISH TAX ASSESSMENT DISTRICT  
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

NOTE D - PENSION PLAN-CONTINUED

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, 2006 was \$106,566.

NOTE E - POST RETIREMENT HEALTH CARE AND LIFE INSURANCE

In accordance with state statutes, the District provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. Substantially all of the District's employees become eligible for these benefits if they reach normal retirement age while working for the District. These benefits for retirees and similar benefits for active employees are provided through Louisiana Assessor's Insurance Fund, whose monthly premiums are paid jointly by the employee and by the District. The cost of retiree benefits included in these expenditures was \$106,794 for retirees.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT  
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

NOTE F - DEFERRED COMPENSATION PLAN

The Calcasieu Parish Tax Assessment District offers its employees participation in the State of Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. The plan is reported as an agency fund in the State of Louisiana's financial statements. The plan, available to all Assessor employees, permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or proof of hardship.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the general creditors of the State of Louisiana. Participants' rights under the plan are equal to those of general creditors of the State of Louisiana in an amount equal to the fair market value of the deferred account for each participant.

NOTE G - NOTES PAYABLE

The following is a summary of changes in notes payable for the year ended December 31, 2006:

	<u>Beginning of Year</u>	<u>Issued</u>	<u>Retired</u>	<u>End of Year</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Revenue Anticipation					
Note:	\$ 400,000	\$ 200,000	\$ 400,000	\$ 200,000	\$ 200,000

The payments on the notes payable are made by the general fund.

Notes payable at December 31, 2006 are comprised of the following:

Note payable to Cameron State Bank dated October 15, 2006 accruing interest at 4.54%, maturing on March 1, 2007, secured by property tax revenues	<u>\$ 200,000</u>
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CALCASIEU PARISH TAX ASSESSMENT DISTRICT  
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

NOTE H - 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 I - 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 J - 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 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.

NOTE K - 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 and the District will fund the total operating expenses for these services. The estimated operating expenses for the second year is \$41,669 of which \$18,770 has been paid through December 31, 2006 and is included in expenses for 2006.



**REQUIRED SUPPLEMENTAL INFORMATION**

CALCASIEU PARISH TAX ASSESSMENT DISTRICT  
Lake Charles, Louisiana

Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Ad Valorem taxes	\$ 1,276,060	\$ 1,561,882	\$ 285,822
Intergovernmental	70,500	73,191	2,691
Charges for services	35,000	36,350	1,350
Interest	5,500	15,884	10,384
Other	<u>8,500</u>	<u>7,727</u>	<u>(773)</u>
Total revenues	1,395,560	1,695,034	299,474
<b>EXPENDITURES:</b>			
Current:			
General government	1,455,560	1,335,245	120,315
Capital outlay	140,000	22,234	117,766
Interest	<u>5,000</u>	<u>5,309</u>	<u>(309)</u>
Total expenditures	<u>1,600,560</u>	<u>1,362,788</u>	<u>237,772</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(205,000)	332,246	537,246
<b>FUND BALANCE, BEGINNING</b>	<u>1,074,993</u>	<u>1,074,993</u>	-
<b>FUND BALANCE, ENDING</b>	<u>\$ 869,993</u>	<u>\$ 1,407,239</u>	<u>\$ 537,246</u>



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

W. GEORGE GRAGSON, C.P.A.  
RICHARD W. CASIDAY, C.P.A.  
RAYMOND GULLORY, JR., C.P.A.  
GRAHAM A. PORTUS, E.A.  
COYT. 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 COMPLIANCE  
AND OTHER MATTERS AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

June 4, 2007

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, 2006, and have issued our report thereon dated June 4, 2007. 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.

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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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 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 District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

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 District's internal control.

Our consideration of 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 internal control that might be 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.

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.

*Gragson Casiday & Guillory*

CALCASIEU PARISH TAX ASSESSMENT DISTRICT  
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2006

SUMMARY OF AUDIT RESULTS

1. Summary of Auditors' Results:

Type of auditors' opinion issued: unqualified

Internal control over financial reporting:

Material weakness(es) identified?      \_\_\_yes        x  no

Reportable condition(s) identified that are  
not considered to be material weakness(es)?      \_\_\_yes        x  none reported

Noncompliance material to financial statements  
noted?      \_\_\_yes        x  no

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

None

3. Findings and Questioned Costs for Federal Awards

N/A

4. Prior Year Audit Findings

None