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CALCASIEU PARISH TAX ASSESSMENT DISTRICT
LAKE CHARLES, LOUISIANAANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORT

Year Ended December 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the parish 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 7-28-08

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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, 2003. 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 \$957,099 (net assets) for the fiscal year reported.
- Total revenues of \$1,452,002 exceeded total expenditures of \$1,597,913, which resulted in a current year surplus of \$284,159.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt, of \$4,554 include property and equipment, net of accumulated depreciation.
 - (2) Unrestricted net assets of \$952,545 represent the portion available to maintain the District's continuing obligations to citizens and creditors.
- The District's governmental funds reported total ending fund balance of \$668,277 this year. This compares to the prior year ending fund balance of \$568,182, reflecting an increase of \$268,115 during the current year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$658,277, or 87% of total General Fund expenditures and 80% of total General Fund revenues.
- 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. All applicable tables will present comparative data in fiscal year 2004.

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 10 and 15 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 aggregated 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 consistency 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 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

The District implemented the new financial reporting model used in this report beginning with the current fiscal year ended December 31, 2003. 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 \$937,095. The following table provides a summary of the District's net assets:

		Percentage
Assets:		
Current assets and other assets	\$ 1,358,523	99.7%
Capital assets	<u>4,554</u>	<u>0.3</u>
Total assets	<u>1,363,077</u>	<u>100.0%</u>
Liabilities:		
Current liabilities	405,981	100.0%
Long-term liabilities	<u>0</u>	<u>0.0</u>
Total liabilities	<u>405,981</u>	<u>100.0%</u>
Net assets:		
Investment in capital assets, net of debt	4,554	0.5%
Unrestricted	<u>932,542</u>	<u>95.5</u>
Total net assets	<u>\$ 937,096</u>	<u>100.0%</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 3.35 to 1.0.

The District reported positive balances in net assets, which increased by \$284,189. The District's overall financial position improved during the fiscal year 2003.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

Since this is the first year in which government-wide information is available, comparative data is not presented. However, comparative data will be accumulated and presented to assist analysis in future years. The following table provides a summary of the District's changes in net assets:

		<u>Percentage</u>
Revenues:		
Program		
Charges for services	\$ 38,128	3%
General:		
Ad valorem taxes	1,259,770	89
Intergovernmental	65,945	4
Interest	1,788	0
Other	5,373	1
Recovery of public funds	48,060	3
Total Revenues	<u>1,402,062</u>	<u>100%</u>
 Program expenses:		
General and administrative	1,095,658	100%
Interest	2,263	0
Total Expenses	<u>1,097,921</u>	<u>100%</u>
 Change in net assets	 304,141	
Beginning net assets	<u>602,927</u>	
Ending net assets	\$ <u>907,068</u>	

GOVERNMENTAL REVENUES

The District is heavily reliant on property taxes to support governmental operations. Property taxes provided 89% 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	
	Total Cost of Services	Net Cost of Services
General Government	<u>\$ 1,087,813</u>	<u>\$ 1,088,887</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 \$656,217. Of this year-end total, \$650,217 is unreserved indicating availability for continuing District service requirements.

The total ending fund balances of governmental funds show an increase of \$358,116.

MAJOR GOVERNMENTAL FUNDS

The General Fund is the District's operating fund. The General Fund's fund balance increased by \$358,116. In fiscal year 2002, the fund balance increased by \$130,367.

The revenues show an increase of \$86,301 or 7% over the prior year. The expenditures side show a decrease of \$130,417 or 10% under the prior year. This decrease is related primarily to reductions in salaries, travel and computer services expenses.

The General Fund's ending fund balance is considered very adequate, representing the equivalent of 87% 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 \$115,343 or 9%, and the actual expenditures were less than the final budget expenditures by \$223,413 or 17%.

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, 2003, was \$4,554. See Note D 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:	
Furniture, fixtures and equipment	\$ 48,533
Less accumulated depreciation	44,079
Book value-depreciable assets	\$ 4,554
Percentage depreciated	91 %
Book value-all assets	\$ 4,554

Notes Payable

At the end of the fiscal year, the District had total bonded debt outstanding of \$400,000. All of this amount is backed by the full faith and credit of the District funded by property taxes.

During the year, the District incurred \$400,000 of debt to fund the daily operating activities. See Note H 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.

As described in Note B to the basic financial statements, Calcasieu Parish Tax Assessment District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, Statement No. 37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, Statement No. 38 Certain Financial Statement Note Disclosures, and Interpretation No. 4, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. This results in a change in the format and content of the basic financial statements.

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.

Deagan Lawing & Gentry

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

CALCADIU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Statement of Net Assets

December 31, 2008

ASSETS	
Cash	\$ 19,816
Receivables, net	1,300,000
Prepaid expenses	8,996
Capital assets, net	<u>4,558</u>
Total assets	<u>1,383,951</u>
LIABILITIES	
Accounts payable	2,228
Interest payable	3,735
Long-term liabilities:	
Due within one year	<u>480,900</u>
Total liabilities	<u>486,951</u>
NET ASSETS	
Invested in capital assets, net of related debt	4,558
Unrestricted	<u>982,543</u>
Total net assets	<u>\$ 987,599</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, 2003

Activities	Expenses	Program Revenue Charges for Services and Contributions	Net Revenues (Expenses) and Changes in Net Assets Governmental Activities
Governmental Activities: General government	\$ (1,087,813)	\$ 38,125	\$ (1,049,687)
		General Revenue:	
		Property taxes, net	1,289,770
		State revenue sharing	55,345
		Other	9,375
		Interest	1,788
		Recovery of public lands	48,900
		Total General Revenue	<u>1,415,878</u>
		Change in Net Assets	366,191
		Net Assets, beginning	<u>602,907</u>
		Net Assets, ending	<u>\$ 969,098</u>

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

FINANCIAL STATEMENTS

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2003

	2003	2002
ASSETS		
Cash	\$ 19,816	\$ 23,230
Receivables, net:		
Taxes	1,283,897	1,218,329
Intergovernmental	83,248	81,830
Other	12,660	-
Prepaid expenses	<u>8,595</u>	<u>-</u>
Total assets	\$ 1,388,503	\$ 1,334,389
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 2,328	\$ 31,237
Notes payable	<u>492,000</u>	<u>785,830</u>
Total liabilities	494,328	787,227
Fund equity:		
Unreserved, undesignated fund balance	<u>690,277</u>	<u>647,162</u>
Total liabilities and fund equity	\$ 1,388,503	\$ 1,334,389

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, 2003

Total fund balance for governmental funds at December 31, 2003	\$ 958,277
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. These assets consist of:	
Capital assets, net of \$44,878 accumulated depreciation	4,554
Long term liabilities at December 31, 2003:	
Accrued interest payable	<u>(3,738)</u>
Total net assets of governmental activities at December 31, 2003	<u>\$ 959,093</u>

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, 2003

	<u>2003</u>	<u>2002</u>
REVENUES:		
Ad Valorem Taxes	\$ 1,269,770	\$ 1,220,362
Intergovernmental	66,046	67,720
Charges for services	36,126	44,014
Interest	1,768	7,007
Other	6,373	5,490
Recovery of public funds	-90,000	-
Total revenues	<u>1,452,002</u>	<u>1,353,701</u>
EXPENDITURES:		
Current:		
General government	1,085,924	1,171,146
Misappropriation of public funds	-	21,226
Capital outlay	2,700	7,620
Interest expense	2,263	14,313
Total expenditures	<u>1,090,887</u>	<u>1,214,305</u>
EXCESS OF REVENUES OVER EXPENDITURES	361,115	139,397
FUND BALANCE, BEGINNING	<u>568,162</u>	<u>458,785</u>
FUND BALANCE, ENDING	<u>\$ 929,277</u>	<u>\$ 598,182</u>

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

CALCASSIEU 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, 2003

Total net changes in fund balances at December 31, 2003 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 358,115
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	\$ 2,700
Depreciation expense for the year ended December 31, 2003	<u>(2,681)</u> (19)
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	<u>(1,738)</u>
Total changes in net assets at December 31, 2003 per Statement of Activities	\$ <u>(354,788)</u>

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, 2003

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, 2003

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. As a result, an entirely new financial presentation format has been implemented.

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, 2003

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 13:761, 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, 2003

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, 2003

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, 2003, the district has cash equivalents (book balances) totaling \$12,815 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 (OASB Category 3). At December 31, 2003, the district has \$82,584 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of 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.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

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 all valorem taxes. The allowance for doubtful accounts at December 31, 2003 was \$26,794.

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, 2003

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 8 days sick leave each year. Sick leave not used in this year earned may be carried forward into the following year. Sick leave is recorded on a "pay as you go" basis.

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, 2009

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.

CALCASSIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

NOTE B - CHANGES IN ACCOUNTING PRINCIPLES

For the year ended December 31, 2003, the District has implemented GASB Standard No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. GASB Statement No. 34 creates new basic financial statements for reporting on the District’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The District also implemented GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and Interpretation No. 8, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

The implementation of GASB Statement No. 34 caused the opening fund balance at December 31, 2002 to be restated in terms of “net assets” as follows:

Total fund balances—Governmental Funds at December 31, 2002	\$ 588,102
Add: Cost of capital assets at December 31, 2002	\$ 46,830
Less: Accumulated depreciation at December 31, 2002	<u>42,580</u>
Net assets at December 31, 2002	\$ 592,352

NOTE C - AD VALOREM TAXES

For the year ended December 31, 2003, taxes were levied on property with taxable assessed valuations as follows:

	Approximate Valuations	Taxes
General corporate purposes	\$ 289,378,750	1.40 mills

Total taxes levied during 2003 were \$1,283,651. Taxes receivable of December 31, 2003 were \$1,283,897, net of allowance for uncollectible taxes of \$25,794.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

NOTE D - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2003 follows:

	Beginning of Year	Additions	Deletions	End of Year
Governmental activities:				
Furniture, Fixtures and Equipment	\$ 48,833	\$ 2,780	\$ -	\$ 48,833
Less accumulated depreciation for:				
Furniture, Fixtures and Equipment	42,888	2,881	-	44,879
Governmental activities Capital Assets, Net	\$ 4,945	\$ (101)	\$ -	\$ 4,854

NOTE E - 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-coverage salary. Final-average salary is the employee's average salary over the 30 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 Assessors' Retirement Fund, P.O. Box 14893, Baton Rouge, LA 70805-4893.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

NOTE E - PENSION PLAN - CONTINUED

Funding Policy: Plan members are required by state statute to contribute 6.0% of their annual covered salary and the Calcasieu Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 14.0% 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 years ending December 31, 2003 was \$86,322, equal to the required contributions for each year.

NOTE F - 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 \$60,258 for retirees.

NOTE G - 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.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

NOTE G - DEFERRED COMPENSATION PLAN - CONTINUED

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 H - NOTES PAYABLE

The following is a summary of changes in notes payable for the year ended December 31, 2003:

	Beginning of Year	Issued	Retired	End of Year	Amounts Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation	\$ 708,000	\$ 400,000	\$ 756,900	\$ 400,000	\$ 400,000

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

Notes payable at December 31, 2003 are comprised of the following:

Note payable to Cameron State Bank dated July 26, 2003, accruing interest at 2.200%, maturing on March 1, 2004, secured by property tax revenues	\$ 400,000
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NOTE I - 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.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003

NOTE J - 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 have been no significant reduction in the insurance coverage during the year.

NOTE K - RECOVERY OF MISAPPROPRIATION OF PUBLIC FUNDS

During 2001, the former bookkeeper admitted to the misappropriation of approximately \$18,000 in District funds. During 2002, the former bookkeeper misappropriated an additional \$42,000. The District has received \$18,000 from an insurance claim and pursued the remaining amount from the former bookkeeper.

On December 17, 2002, the former bookkeeper was ordered to pay \$48,000 in restitution to the Calcasieu Parish Tax Assessment District in Division B District Court in Lake Charles, Louisiana. During 2003, the Calcasieu Parish Tax Assessment District received \$35,950 in partial restitution, the residual amount of \$12,050 is included in accounts receivable. Accordingly, the \$48,000 is included in revenues at December 31, 2003.

NOTE L - LITIGATION

The Calcasieu Parish Tax Assessment District is currently investigating the possibility of filing 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 is currently serving 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 \$540,000 to himself from the Calcasieu Parish Tax Assessment District with the assistance of a computer services company.

REQUIRED SUPPLEMENTAL INFORMATION

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Ad Valorem taxes	\$ 1,208,799	\$ 1,288,770	\$ 80,011
Intergovernmental	78,890	88,845	(9,954)
Charges for services	30,000	38,126	8,126
Interest	3,800	1,788	(1,712)
Other	18,000	8,373	(9,627)
Recovery of public funds	-	48,000	48,000
Total revenues	<u>1,338,799</u>	<u>1,482,032</u>	<u>143,243</u>
EXPENDITURES:			
Current:			
General government	1,167,300	1,088,824	78,376
Capital outlay	150,000	2,790	147,210
Interest	-	2,263	(2,263)
Total expenditures	<u>1,317,300</u>	<u>1,093,887</u>	<u>223,413</u>
EXCESS OF REVENUES OVER EXPENDITURES	19,499	388,115	338,656
FUND BALANCE, BEGINNING	<u>558,182</u>	<u>558,182</u>	<u>-</u>
FUND BALANCE, ENDING	\$ 577,681	\$ 946,297	\$ 368,616

Calcasieu Parish Tax Assessment District
June 15, 2004
Page Two

employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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 24:213, this report is distributed by the Legislative Auditor as a public document.

Dragoon, Country & Gullery

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2003

SUMMARY OF AUDIT RESULTS

1. Summary of Auditor's Results:

Type of auditor's opinion issued: unqualified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Reportable condition(s) identified that are
not considered to be material weakness(es)? yes none reported

Non-compliance 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 #2003-01:

The Calcasieu Parish Tax Assessment District is currently investigating the possibility of filing 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 is currently serving 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 18, 2004 audit report by the Louisiana Legislative Auditor's Office which revealed that the previous Assessor diverted approximately \$248,000 to himself from the Calcasieu Parish Tax Assessment District with the assistance of a computer services company.

Management Response:

Based on the Louisiana Legislative Auditor's Report dated February 18, 2004 and on the District's current investigation into this matter, the District will pursue the proper litigation avenues to recover any misappropriated funds.

3. Findings and Questioned Costs for Federal Awards

N/A

4. Prior Year Audit Findings

There were no prior year findings.

Garrison, Crotter & Cousins, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS