

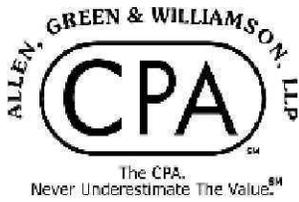
**Calcasieu Parish Tax Agency Fund
Of the Calcasieu Parish School Board
Lake Charles, Louisiana**

**Financial Statements
As of and for the Year Ended June 30, 2012**

**Calcasieu Parish Tax Agency Fund
Of the Calcasieu Parish School Board**

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INDEPENDENT AUDITORS' REPORT

Board Members
Calcasieu Parish Tax Agency Fund
of the Calcasieu Parish School Board
Lake Charles, Louisiana

We have audited the accompanying financial statement of the Calcasieu Parish Tax Agency Fund of the Calcasieu Parish School Board as of June 30, 2012, as listed in the table of contents. This financial statement is the responsibility of the Calcasieu Parish Tax Agency's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tax Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statement of the Calcasieu Parish Tax Agency Fund of the Calcasieu Parish School Board is intended to present the financial position that is attributable to the transactions of the Calcasieu Parish Tax Agency Fund. They do not purport to, and do not, present fairly the financial position of the Calcasieu Parish School Board, as of June 30, 2012, in conformity with generally accepted accounting principles in the United States of America.

In our opinion, the financial statement referred to previously presents fairly, in all material respects, the respective financial position of the Calcasieu Parish Tax Agency Fund of the Calcasieu Parish School Board, as of June 30, 2012, in conformity with accounting principles generally accepted in the United States of America.

The Calcasieu Parish Tax Agency Fund has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated December 31, 2012, on our consideration of the Calcasieu Parish Tax Agency Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The information identified in the table of contents as other information has not been subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we do not express an opinion or any other assurance on it.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 31, 2012

**Calcasieu Parish Tax Agency Fund
Of the Calcasieu Parish School Board**

**Statement of Fiduciary Assets and Liabilities
June 30, 2012**

ASSETS

Cash	\$ 660,574
Accounts receivable sales tax vendors, net	26,134,844
Cash restricted	<u>2,086,849</u>
Total Assets	<u><u>28,882,267</u></u>

LIABILITIES

Deposits due others	26,795,418
Taxes paid under protest from restricted assets	<u>2,086,849</u>
Total Liabilities	<u><u>\$ 28,882,267</u></u>

The notes to the financial statements are an integral part of this statement.

**Calcasieu Parish Tax Agency Fund
Of the Calcasieu Parish School Board**

**Notes to the Financial Statements
June 30, 2012**

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**Calcasieu Parish Tax Agency Fund
Of the Calcasieu Parish School Board**

**Notes to the Financial Statements
June 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The Calcasieu Parish Tax Agency Fund has been formed under joint agreement of the Calcasieu Parish School Board, the Calcasieu Parish Police Jury, the City of Lake Charles, the City of Sulphur, the Town of Iowa, the Town of DeQuincy, the Town of Vinton, the Town of West Lake, Law Enforcement #1, and the Southwest Tourist Bureau for the collection of sales, use taxes and other fees, in accordance with Louisiana Revised Statutes 33:2844. The Calcasieu Parish Tax Agency charges a collection fee to all agencies, except the Southwest Tourist Bureau, that is based upon a percentage derived from dividing the Tax Agency's total revenues collected that month by the Tax Agency's total expenditures. This percentage is then applied against the agencies' total revenue collected and/or distributed during the period. This amount is billed to the agencies shortly after the end of the month. The fee for the Southwest Tourist Bureau is computed first by dividing the Tax Agency's direct costs for the previous month by the total amount collected by the Tax Agency for the previous month. This factor is then multiplied by the total amount collected for the Bureau by the Tax Agency for the current month. The Tax Agency collects the fee by withholding it as it deposits funds into the account designated by the Bureau.

A. REPORTING ENTITY For financial reporting purposes, in conformance with GASB Statement No. 14, the Calcasieu Parish Tax Agency Fund is an agency fund of the Calcasieu Parish School Board. Accordingly, the accompanying financial statement presents only the accounts of the tax agency fund and is not intended to present fairly the financial position of the Calcasieu Parish School Board in conformity with accounting principles generally accepted in the United States of America. The Calcasieu Parish Tax Agency Fund is included as part of the financial statements of the Calcasieu Parish School Board.

B. FUND ACCOUNTS A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

Funds are classified into one category, fiduciary. The category, in turn, is divided into separate "fund types." Fiduciary funds are used to account for assets held for others. The tax agency fund requires the use of a fiduciary fund as described below:

Fiduciary Fund - The Calcasieu Parish Tax Agency Fund is used to account for the collection and distribution of sales and use taxes imposed by the various taxing authorities within the parish and also occupancy taxes that are levied on hotel rooms, including overnight camping facilities. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

C. BASIS OF ACCOUNTING The basis of accounting for an agency fund is the accrual basis. The measurement focus is custodial, since the fund is not involved with the performance of governmental services. An agency fund has no revenues or expenditures and therefore there is no fund balance or need to measure the results of operations for a period.

D. USE OF ESTIMATES The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Calcasieu Parish Tax Agency Fund
Of the Calcasieu Parish School Board**

**Notes to the Financial Statements
June 30, 2012**

NOTE 2 - DEPOSITS At June 30, 2012, the Tax Agency has cash and cash equivalents (book balances) totaling \$2,747,423. Included in this amount \$2,086,849 is restricted assets.

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair 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.

Custodial Credit Risk – Deposits: The bank balance was \$2,747,423. In the case of deposits this is the risk that in the event of a bank failure, the Tax Agency fund deposits may not be returned to it. The bank balance was either covered by federal depository insurance or pledged securities held by the Tax Agency’s agent but not in the Tax Agency’s name. Even though the pledge securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposed a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Tax Agency the fiscal agent has failed to pay deposited funds upon request.

As a fiduciary fund of the Calcasieu Parish School Board, the Tax Agency follows the School Board’s policies. The School Board’s policy addresses custodial risk by requiring funds on deposit to be collateralized by pledged “approved securities” as specified by State Statute to adequately protect the funds of the School Board.

NOTE 3 - DEPOSITS DUE OTHERS A summary of changes in deposits due others for the year ended June 30, 2012, is as follows:

BALANCE, Beginning	\$ 23,922,824
ADDITIONS:	
Sales tax collections	234,944,878
DEDUCTIONS:	
Taxes distributed to others:	
Calcasieu Parish School Board	91,529,503
Calcasieu Parish Police Jury	39,815,482
City of Lake Charles	45,067,540
City of Sulphur	13,110,420
Town of Iowa	1,318,950
Town of DeQuincy	1,363,822
Town of Vinton	890,224
Town of Westlake	2,223,398
Law Enforcement District #1	33,341,008
Southwest Tourist Bureau	3,388,634
Transfer to School Board- Hotel-Motel Collection Fee	23,303
Total deductions	232,072,284
BALANCE, Ending	\$ 26,795,418

**Calcasieu Parish Tax Agency Fund
Of the Calcasieu Parish School Board**

**Notes to the Financial Statements
June 30, 2012**

NOTE 4 - ACCOUNTS RECEIVABLE The balance in accounts receivable (\$26,134,844) represents sales tax and occupancy tax collections in July, 2012 for June sales and the total of delinquent accounts at year end, which is net of allowance for doubtful accounts of \$3,448,565.

NOTE 5 - COMMITMENTS AND CONTINGENCIES At June 30, 2012, the Calcasieu Parish Tax Agency was involved in multiple litigations. The lawsuits are in regard to taxes paid under protest by various vendors. There are currently seven pending cases where the vendor has filed for a refund of taxes paid under protest. If the Tax Agency wins these pending cases, then the taxes paid under protest plus statutory interest will be retained by the Tax Agency. If the Tax Agency loses, then the taxes paid under protest plus statutory interest will be refunded to the vendor.

NOTE 6 - TAXES PAID UNDER PROTEST There is currently \$2,086,849 in Taxes Paid Under Protest. There was one vendor whose sales tax paid under protest totaling \$3,138,682 was settled during the 2011-2012 year. The current balance is attributable to various vendors which have paid taxes under protest and interest that has been earned on those payments. Taxes paid under protest are being held in a separate bank account pending the outcome of any litigation and requests for refunds.

**Calcasieu Parish Tax Agency Fund
Of the Calcasieu Parish School Board**

**Notes to the Financial Statements
June 30, 2012**

NOTE 7- SALES TAX COLLECTIONS AND DISBURSEMENTS The following is a schedule of the sales tax collections and disbursements on a cash basis collected in behalf of payments made to local governmental entities for the fiscal year ended June 30, 2012:

	Total Collections	Final Distribution	Collection Fees
Calcasieu Parish School Board			
School Board (1%) 1968	\$ 44,656,262	\$ 44,656,262	\$ 301,843
School Board (0.5%) 2002	22,328,131	22,328,131	150,921
School Board Salary (0.5%) 2005	22,357,167	22,357,167	151,118
School Board #3 (1.5%) 2000	2,187,943	2,187,943	14,789
	<u>91,529,503</u>	<u>91,529,503</u>	<u>618,671</u>
City of Lake Charles(2.5%)			
City of Lake Charles (1%) 1990	20,030,014	20,030,014	135,513
City of Lake Charles (1%) 2006	20,030,014	20,030,014	135,513
City of Lake Charles Salary (1/4%) 2005	5,007,512	5,007,512	33,878
	<u>45,067,540</u>	<u>45,067,540</u>	<u>304,904</u>
Calcasieu Parish Police Jury			
Police Jury District #1 (1%) 2004	16,654,954	16,654,954	119,731
Police Jury District #4A (1.25%) 2010	23,160,528	23,160,528	149,664
	<u>39,815,482</u>	<u>39,815,482</u>	<u>269,395</u>
Calcasieu Parish Law Enforcement District			
LED (.25%) 2002	11,163,253	11,163,253	75,241
LED #2 (0.5%) 2006	22,177,755	22,177,755	150,480
	<u>33,341,008</u>	<u>33,341,008</u>	<u>225,721</u>
City of Sulphur (2.5%)			
City of Sulphur (1%) 1966	5,244,168	5,244,168	35,357
City of Sulphur (1%) 2004	5,244,168	5,244,168	35,356
City of Sulphur (.5%) 1966	2,622,084	2,622,084	17,678
	<u>13,110,420</u>	<u>13,110,420</u>	<u>88,391</u>
City of Dequincy (2.5%)			
City of Dequincy (1%) 1966	545,529	545,529	3,633
City of Dequincy (0.5%) 2002	272,764	272,764	1,817
City of Dequincy (1%) 2010	545,529	545,529	3,633
	<u>1,363,822</u>	<u>1,363,822</u>	<u>9,083</u>
Town of Iowa (2.5%)			
Town of Iowa (0.5%) 2002	263,790	263,790	1,782
Town of Iowa (1%) 2005	527,580	527,580	3,563
Town of Iowa (1%) 2006	527,580	527,580	3,563
	<u>1,318,950</u>	<u>1,318,950</u>	<u>8,908</u>

(Continued)

**Calcasieu Parish Tax Agency Fund
Of the Calcasieu Parish School Board**

**Notes to the Financial Statements
June 30, 2012**

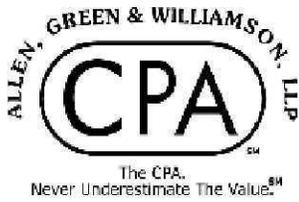
	Total Collections	Final Distribution	Collection Fees
City of Westlake (2.5%)			
City of Westlake (1%) 1990	\$ 889,359	\$ 889,359	\$ 5,864
City of Westlake (1%) 2007	889,359	889,359	5,864
City of Westlake (0.5%) 2007	444,680	444,680	2,931
	<u>2,223,398</u>	<u>2,223,398</u>	<u>14,659</u>
Town of Vinton (2.5%)			
Town of Vinton (1%) 1975	356,090	356,090	2,406
Town of Vinton (0.5%) 2002	178,045	178,045	1,204
Town of Vinton (1%) 2003	356,089	356,089	2,406
	<u>890,224</u>	<u>890,224</u>	<u>6,016</u>
SWLA Convention & Vistors Bureau (4%)**	<u>3,411,937</u>	<u>3,388,634</u>	<u>23,303</u>
Totals	<u>\$ 232,072,284</u>	<u>\$ 232,048,981</u>	<u>\$ 1,569,051</u>

(Concluded)

Note: Entities are billed monthly for prior months collections fees based of prior months expenditures.

*The school board does not pay a collection fee but is allocated a cost (the same precentage as all entities are each month) in relation to total collections and total expenditures.

*** Convention and Visitors Bureau is the only entity that has collection fees withheld when distributed.



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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board Members

Calcasieu Parish Tax Agency Fund
of the Calcasieu Parish School Board
Lake Charles, Louisiana

We have audited the financial statement of the Calcasieu Parish Tax Agency Fund of the Calcasieu Parish School Board as of June 30, 2012, and have issued our report thereon dated December 31, 2012. 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.

As discussed in Note 1 of the notes to the financial statements, the financial statement of the Calcasieu Parish Tax Agency Fund is intended to present only the assets and liabilities of the Calcasieu Parish School Board that is attributable to the transactions of the Calcasieu Parish Tax Agency Fund.

Internal Control Over Financial Reporting

Management of the Calcasieu Parish Tax Agency Fund of the Calcasieu Parish School Board is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Calcasieu Parish Tax Agency Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Calcasieu Parish Tax Agency Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Calcasieu Parish Tax Agency Fund's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Calcasieu Parish Tax Agency Fund of the Calcasieu Parish School Board's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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.

We noted a certain matter that we reported to management of Calcasieu Parish Tax Agency Fund in a separate letter dated December 31, 2012.

This report is intended solely for the information and use of the Board, management, others within the entity, Calcasieu Parish Police Jury, the City of Lake Charles, the City of Sulphur, the Town of Iowa, Town of DeQuincy, Town of Vinton, Town of West Lake, Law Enforcement District #1, and Southwest Tourist Bureau, and is not intended to be and should not be used by anyone other than the specified parties. Although the intended use of this letter may be limited, under Louisiana Revised Statute 24:513 this letter is distributed by the Office of the Louisiana Legislative Auditor as a public document.

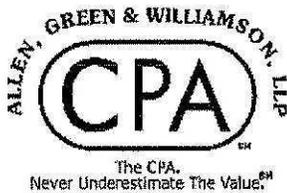


ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 31, 2012

Calcasieu Parish Tax Agency Fund

OTHER INFORMATION



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Management Letter

Board Members
Calcasieu Parish Tax Agency Fund
of the Calcasieu Parish School Board
Lake Charles, Louisiana

In planning and performing our audit of the financial statements of the Calcasieu Parish Sales Tax Agency, for the year ended June 30, 2012, we considered the Sales Tax Agency's internal control to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted a certain matter involving internal control that is presented for your consideration. This letter does not affect our report dated December 31, 2012, on the financial statements of the Sales Tax Agency. We will review the status of this comment during our next audit engagement. Our comment and recommendation, which has been discussed with appropriate members of management, is intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Management's response has also been included. We have performed no audit work to verify the content of the response.

12-M1 Debit/Credit Memos Report

Comment: The Debit/Credit Report does not accurately reflect the true outstanding Debit/Credit memos outstanding. Paid Debit memos are not being reflected on the Debit/Credit Report. The Debit/Credit Memo Report should reflect an accurate outstanding balance at anytime the report is run.

Recommendation: The report should be updated so that it presents an accurate statement of Debit/Credit memos outstanding.

Management's response: We will initiate action immediately to update our current Memo Report to a more accurate and reliable version.

This report is intended solely for the information and use of the Board, management, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this letter may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Allen, Green & Williamson, LLP
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 31, 2012

