

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

As of and for the Year Ended December 31, 2002

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Langley, Williams & Company, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

205 W. COLLEGE STREET
LAKE CHARLES, LOUISIANA 70605-1625
(337) 477-2827
1(800) 713-8432
FAX (337) 478-8418

LESTER LANGLEY, JR.
DANNY L. WILLIAMS
MICHAEL F. CALLOURA
PHILLIP D. ABSHIRE, JR.
DAPHNE B. CLARK
J. AARON COOPER

MEMBERS OF -
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS
SEC PRACTICE SECTION
OF AICPA

INDEPENDENT AUDITORS' REPORT

Honorable Richard J. Cole, Jr.
Calcasieu Parish Tax Assessment District
Lake Charles, Louisiana

We have audited the accompanying general purpose financial statements of the Calcasieu Parish Tax Assessment District, a component unit of the Calcasieu Parish Police Jury, as of December 31, 2002, and for the year then ended. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Calcasieu Parish Tax Assessment District as of December 31, 2002, and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 30, 2003 on our consideration of the District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Honorable Richard J. Cole, Jr.
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Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The financial information listed as a supporting schedule in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Calcasieu Parish Tax Assessment District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

April 30, 2003

Langley, Williams & Co., L.L.C.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

COMBINED BALANCE SHEET
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP

December 31, 2002

	Governmental Fund Type	Account Group	
	General Fund	General Fixed Assets	Total (Memorandum Only)
ASSETS			
Cash	\$ 23,230	\$ -	\$ 23,230
Receivables, net:			
Taxes	1,219,329	-	1,219,329
Intergovernmental	91,830	-	91,830
Fixed assets	-	79,981	79,981
Total assets	\$ 1,334,389	\$ 79,981	\$ 1,414,370
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 9,339	\$ -	\$ 9,339
Accrued liabilities	21,888	-	21,888
Notes payable	705,000	-	705,000
Total liabilities	736,227	-	736,227
Fund equity:			
Investment in general fixed assets	-	79,981	79,981
Unreserved, undesignated fund balance	598,162	-	598,162
Total fund equity	598,162	79,981	678,143
Total liabilities and fund equity	\$ 1,334,389	\$ 79,981	\$ 1,414,370

The accompanying notes are an integral part of these financial statements.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
GENERAL FUND

For the Year Ended December 31, 2002

REVENUES:

Ad Valorem Taxes	\$ 1,229,382
Intergovernmental	67,720
Charges for services	44,014
Interest	7,087
Other	5,498

Total revenues 1,353,701

EXPENDITURES:

Current:	
General government	1,171,145
Misappropriation of public funds	21,226
Capital outlay	7,620
Interest expense	14,313

Total expenditures 1,214,304

EXCESS OF REVENUES OVER
EXPENDITURES

139,397

FUND BALANCE, JANUARY 1

458,765

FUND BALANCE, DECEMBER 31

\$ 598,162

The accompanying notes are an integral part of these financial statements.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Ad Valorem taxes	\$ 1,212,901	\$ 1,229,382	\$ 16,481
Intergovernmental	73,922	67,720	(6,202)
Charges for service	38,854	44,014	5,160
Interest	5,000	7,087	2,087
Other	-	5,498	5,498
Total revenues	1,330,677	1,353,701	23,024
EXPENDITURES:			
Current:			
General government	1,239,012	1,171,145	67,867
Misappropriation of public funds	-	21,226	(21,226)
Capital outlay	5,000	7,620	(2,620)
Interest	30,000	14,313	15,687
Total expenditures	1,274,012	1,214,304	59,708
EXCESS OF REVENUES OVER EXPENDITURES	56,665	139,397	82,732
FUND BALANCE, JANUARY 1	458,765	458,765	-
FUND BALANCE, DECEMBER 31	\$ 515,430	\$ 598,162	\$ 82,732

The accompanying notes are an integral part of these financial statements.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2002

INTRODUCTION

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. 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. The deputies are authorized to perform all functions of the office, but the assessor is officially and pecuniarily responsible for the actions of the deputies.

In accordance with Louisiana law, the assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Calcasieu Parish Tax Assessment District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The assessor is an independently elected official; however, the assessor is fiscally dependent on the Calcasieu Parish Police Jury. The police jury maintains and operates the building in which the assessor's office is located and provides funds for equipment and furniture of the assessor's office. In addition, the police jury's general purpose financial statements would be incomplete or misleading without inclusion of the assessor. For these reasons, the assessor was determined to be a component unit of the Calcasieu Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the assessor and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS - Continued

For the Year Ended December 31, 2002

C. FUND ACCOUNTING

The assessor uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the assessor are classified as governmental funds. Governmental funds account for the assessor's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets. Governmental funds of the assessor include:

1. General Fund – the General Fund, as provided by Louisiana Revised Statute 47:1906, is the principal fund of the assessor and accounts for the operation of the assessor's office. Ad valorem tax revenue and compensation received from the various taxing bodies, prescribed by formula in R.S. 47:1907-1908, is accounted for in this fund. General operating expenditures are paid from this fund.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement of the General Fund presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All major revenues are susceptible to accrual.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS - Continued

For the Year Ended December 31, 2002

D. BASIS OF ACCOUNTING - Continued

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this rule is accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued.

E. BUDGETS

Annually, the Calcasieu Parish Tax Assessment District adopts a budget for the General Fund on a modified accrual basis of accounting. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and a public hearing on the budget. Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. All budgetary appropriations lapse at year end.

F. CASH AND CASH EQUIVALENTS

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, 2002, the district has cash and cash equivalents (book balances) totaling \$23,230 in interest-bearing demand deposit accounts. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal 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, 2002, the district has \$47,569 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS - Continued

For the Year Ended December 31, 2002

G. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group rather than in the general fund. General fixed assets provided by the police jury are recorded within the general fixed assets account group of the Calcasieu Parish Police Jury. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

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

I. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. LEVIED TAXES

For the year ended December 31, 2002, the assessment district levied 1.46 mills on property subject to taxation to be used for the operations of the assessment office. Total taxes levied for the year were \$1,244,209 on property with assessed valuation totaling \$1,230,077,780. An allowance for uncollectible taxes has been established at \$24,880.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS - Continued

For the Year Ended December 31, 2002

2. LEVIED TAXES - Continued

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15 of the current year, and become delinquent after December 31. Property taxes not paid by the end of February are subject to lien.

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

Balance at January 1, 2002	\$ 73,101
Additions	7,620
Retirements	(<u>740</u>)
Balance at December 31, 2002	\$ <u>79,981</u>

4. 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% of their final-average salary for each year of credited service, not to exceed 100% 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.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS - Continued

For the Year Ended December 31, 2002

4. PENSION PLAN - Continued

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (337) 425-4446.

Funding Policy. Plan members are required by state statute to contribute 7.0% of their annual covered salary and the Calcasieu Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 15.0% 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, 2002, 2001, and 2000, were \$84,427, \$65,500, and \$49,653, respectively, equal to the required contributions for each year.

5. 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 approximately \$94,000 for 18 retirees.

6. DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all District employees, permits employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan's administrator is PEBSCO.

As the District is not involved in the administration of the Plan, nor does it offer investment advice to the Plan's participants, the Plan is not considered to be a fiduciary fund. Accordingly, the Plan's assets are not included in the accompanying financial statements.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS - Continued

For the Year Ended December 31, 2002

7. 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.

8. NOTES PAYABLE

Notes payable consist of the following at December 31, 2002:

Note payable to Cameron State Bank
dated August 23, 2002, accruing
interest at 2.612%, maturing on
March 1, 2003, secured by
property tax revenues

\$ 705,000

9. RISK MANAGEMENT

The Assessor is covered with commercial insurance for substantially all risks.

10. 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 \$31,000 which is included as misappropriation of public funds in the statement of revenues and expenditures and changes in fund balance. The District has received \$10,000 in partial restitution and is pursuing the remaining amount from the former bookkeeper.

SUPPLEMENTAL SCHEDULE

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

SCHEDULE OF GENERAL GOVERNMENT EXPENDITURES -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Assessor's personal expense allowance	\$ -	\$ 8,187	\$ (8,187)
Salaries:			
Assessor	85,600	72,524	13,076
Deputies	626,400	617,846	8,554
Materials, supplies and expense:			
Office	70,000	41,805	28,195
Automobile	16,000	8,466	7,534
Computer	38,000	31,995	6,005
Bank service charges	-	75	(75)
Repairs and maintenance	-	2,275	(2,275)
Professional services	47,000	31,460	15,540
Workers' compensation	14,972	9,450	5,522
Dues	4,500	5,301	(801)
Equipment rental	-	849	(849)
General insurance	-	2,961	(2,961)
Group insurance	230,000	216,551	13,449
Contribution to employees' retirement	76,540	84,427	(7,887)
Payroll taxes	-	6,667	(6,667)
Travel, conference and education	30,000	21,512	8,488
Meals	-	1,402	(1,402)
Penalties	-	7,392	(7,392)
	<u>\$ 1,239,012</u>	<u>\$ 1,171,145</u>	<u>\$ 67,867</u>

SUPPLEMENTAL REPORTS



Langley, Williams & Company, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

205 W. COLLEGE STREET
LAKE CHARLES, LOUISIANA 70605-1625
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Calcasieu Parish Tax Assessment District
Lake Charles, Louisiana

We have audited the general purpose financial statements of Calcasieu Parish Tax Assessment District as of and for the year ended December 31, 2002, and have issued our report thereon dated April 30, 2003. We conducted our audit in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

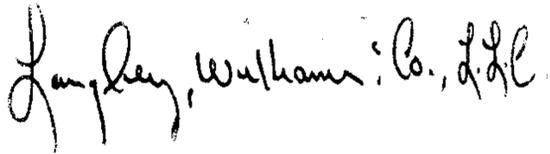
As part of obtaining reasonable assurance about whether Calcasieu Parish Tax Assessment District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by 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 material weaknesses.

Calcasieu Parish Tax Assessment District
Page 2

This report is intended solely for the information and use of the Calcasieu Parish Tax Assessment District, the District's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Langley, Wuthamer & Co., L.L.C.".

Lake Charles, Louisiana
April 30, 2003

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2001

2001-1 **Finding.** In early 2002, the former tax assessor pleaded guilty to income tax evasion, and resigned his office effective April 22, 2002. Court documents state that a small computer consulting firm (“Consultant”) contracted with and paid fees totaling \$504,598 during the period from 1994 through 1997 to a company owned by a family member of the former assessor. The documents also state that the family member provided no services to the contractor and that all payments were endorsed over to the former assessor. The Consultant was (and continues to be) a contractor for the Calcasieu Parish Tax Assessor.

Louisiana R.S. 42:1112 prohibits public servants or their immediate family members from participating in a transaction with the governmental entity.

Corrective Action Plan. The new Assessor will turn over the findings to the appropriate authorities for investigation.

Current Year Status. The District has reported the finding to the appropriate authorities and the investigation is ongoing. Additionally, the District is no longer making payments to the Consultant or using the firm’s services.

2001-2 **Finding.** During our audit we discovered numerous instances of misappropriation of funds. The bookkeeper of the District bought personal items with District funds and disguised such purchases by forging invoices. Additionally, the bookkeeper made checks payable to herself, forged invoices and internal documentation, and altered bank statements to make the disbursements appear as legitimate office expenses. Finally, the bookkeeper falsified expense reports that claimed reimbursements for inflated mileage. We estimate that such misappropriations totaled approximately \$18,000 during 2001 and \$31,000 subsequent to year end. These improper payments were made possible due to circumvention of key accounting controls (see Finding 2001-3).

Corrective Action Plan. The new Assessor will turn over the findings to the appropriate authorities for investigation.

Current Year Status. The District has reported the finding to the appropriate authorities and the investigation is ongoing. The former bookkeeper has pleaded guilty and has agreed to restitution. The former bookkeeper has paid \$10,000 during 2002. The District has liens filed on property of the former bookkeeper and will continue collection efforts.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)
For the Year Ended December 31, 2001

2001-3 **Finding.** Key accounting controls in the disbursements cycle were being circumvented during the year. Due to the small administrative staff of the District, segregation of duties are difficult. The aforementioned bookkeeper receives all bills and processes all payments. As mitigating controls, the Assessor was to approve all disbursements by signing all invoices and all checks, and an outside service was to perform all bookkeeping and bank reconciliation duties. However, during 2001 and 2002, the Assessor signed blank checks for the bookkeeper. This allowed the bookkeeper to write checks that the Assessor was not aware of and forge the necessary backup documentation. Additionally, the bookkeeper failed to deliver the accounting records to the outside service. When we arrived for the audit after year end, no bookkeeping or bank reconcilements had been performed for the entire year.

Corrective Action Plan. The new Assessor will not sign blank checks and the accounting records will be promptly turned over to the bookkeeping service.

Current Year Status. The new Assessor has implemented new procedures in order to strengthen internal controls (especially segregation of duties) as much as practical in a small office. The Assessor no longer signs blank checks and all accounting records are promptly turned over to the bookkeeping service.

2001-4 **Finding.** The aforementioned bookkeeper received her paychecks and expense reimbursement checks before the pay date on numerous occasions during 2001 and 2002 and altered bank statements to cover up the activity. For instance, her paycheck for the period ending January 15, 2002, cleared the bank on December 18, 2001. This is essentially an employee advance which is a violation of Louisiana Constitution Article 14 Section 7 which prohibits loans of public funds to any person.

Corrective Action Plan. The District will not issue paychecks early.

Current Year Status. The District no longer issues paychecks early.

2001-5 **Finding.** Receipts were not being deposited on a timely basis. For instance, the ad valorem tax receipt for January 2002 was received from the tax collector on or about February 10, 2002, but was not deposited until March 18, 2002.

Corrective Action Plan. The District will promptly deposit all receipts.

Current Year Status. The District has deposited receipts promptly.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)
For the Year Ended December 31, 2001

2001-6 **Finding.** State and federal payroll tax returns were not submitted on a timely basis, incurring approximately \$3,600 in late filing penalties during the year. As of our report date, the federal payroll tax returns for the third and fourth quarters of 2001 and the first quarter of 2002 had not been filed.

Corrective Action Plan. The District will file all late payroll tax returns. Subsequent payroll tax returns will be filed on a timely basis.

Current Year Status. The District filed all late payroll tax returns and subsequent payroll tax returns were filed on a timely basis.

2001-7 **Finding.** Some personnel files did not include current W-4 and L-4 forms authorizing payroll deductions for federal and state income tax withholdings. Many of the forms in the files were incomplete and/or unsigned. Additionally, withholdings for some of the employees were not being calculated in accordance with the documentation on file.

Corrective Action Plan. The District will obtain new W-4s and L-4s from all employees and calculate payroll withholding accordingly.

Current Year Status. New withholding forms were obtained from all employees and the payroll system files were updated.

2001-8 **Finding.** Budgets were not amended by the former Assessor as required by law. State law requires budgets to be monitored and, if actual expenditures vary from budget figures by more than 5%, the budget must be amended prior to the end of the fiscal year. Actual expenditures and other uses exceeded budgeted expenditures and other uses by approximately 5.4%.

Corrective Action Plan. The Assessor will monitor the budget and, if necessary, amend the budget.

Current Year Status. The District is in compliance with state budget law for 2002.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2002

SUMMARY OF AUDIT RESULTS

1. The auditors' report included an unqualified opinion on the general purpose financial statements of Calcasieu Parish Tax Assessment District for the year ended December 31, 2002.
2. No reportable conditions and material weaknesses relating to the audit of financial statements are reported in the Independent Auditors' Report on Compliance and Internal Control Over Financial Reporting for the year ended December 31, 2002.
3. No instances of noncompliance material to the general purpose financial statements of Calcasieu Parish Tax Assessment District are reported in the Independent Auditors' Report on Compliance and Internal Control Over Financial Reporting for the year ended December 31, 2002.
4. A separate management letter was not issued.