

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
LAKE CHARLES, LOUISIANA

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORT

Year Ended December 31, 2016

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

CONTENTS

| | Page |
|---|-------|
| MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) | 3-10 |
| INDEPENDENT AUDITORS' REPORT | 11-12 |
| | |
| BASIC FINANCIAL STATEMENTS | |
| | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS | |
| Statement of net position | 15 |
| Statement of activities | 16 |
| | |
| FUND FINANCIAL STATEMENTS | |
| Balance sheet-governmental funds | 18 |
| Reconciliation of the balance sheet-Governmental Funds to the statement of net position | 19 |
| Statement of revenues, expenditures and changes in fund balances-governmental funds | 20 |
| Reconciliation of the statement of revenues, expenditures and changes in fund balances-governmental funds to the statement of activities | 21 |
| | |
| NOTES TO BASIC FINANCIAL STATEMENTS | 22-38 |
| | |
| REQUIRED SUPPLEMENTAL INFORMATION | |
| Budgetary comparison schedule-general fund | 40 |
| Schedule of funding progress | 41 |
| Schedule of employer's proportionate share of pension liability | 42 |
| Schedule of employer contributions | 43 |
| | |
| OTHER INFORMATION | |
| Schedule of compensation, benefits and other payments to chief executive officer | 45 |
| | |
| INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS | |
| | 46-47 |
| | |
| SCHEDULE OF FINDINGS AND RESPONSES | |
| | 48 |

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, 2016. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- The District's assets exceeded its liabilities by \$1,804,757 (net position) for the fiscal year reported.
- Total revenues of \$2,688,294 were in excess of expenditures of \$2,180,866, which resulted in a current year surplus of \$507,428, compared to a prior year surplus of \$51,585.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets, net of related debt, of \$93,973 include property and equipment, net of accumulated depreciation.
 - (2) Unrestricted net position of \$1,746,784 represent the portion available to maintain the District's continuing obligations to citizens and creditors.
- Overall, the District continues to maintain a strong financial position and is continuing to work to improve on this financial position.

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

OVERVIEW OF FINANCIAL STATEMENTS

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

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 Position*. 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 position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other nonfinancial factors such as diversification of the taxpayer base, or the condition of District infrastructure in addition to the financial information provided in this report.

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

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

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

FUND FINANCIAL STATEMENTS

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

The District has one kind of fund:

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information. Budgetary comparison statements are included as "required supplemental information" for the general fund. These statements and schedules demonstrate compliance with the District's adopted and final revised budget. Required supplemental information can be found on pages 40 through 43 of this report.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

The District's net position at fiscal year-end are \$1,840,757. The following table provides a summary of the District's net position:

| | <u>2016</u> | | <u>2015</u> | |
|---|---------------------|-------------|---------------------|-------------|
| Assets: | | | | |
| Current assets and other assets | \$ 5,218,976 | 98% | \$ 4,775,731 | 99% |
| Capital assets | 93,973 | 2 | 48,560 | 1 |
| Total assets | <u>5,312,949</u> | <u>100%</u> | <u>4,821,291</u> | <u>100%</u> |
| Deferred outflows of resources | <u>813,566</u> | <u>100%</u> | <u>1,068,917</u> | <u>100%</u> |
| Liabilities: | | | | |
| Current liabilities | 146,350 | 26% | 208,783 | 5% |
| Long-term liabilities | 3,100,589 | 74 | 4,036,165 | 95 |
| Total liabilities | <u>4,180,848</u> | <u>100%</u> | <u>2,417,938</u> | <u>100%</u> |
| Deferred inflows of resources | <u>104,910</u> | <u>100%</u> | <u>311,931</u> | <u>100%</u> |
| Net position: | | | | |
| Investment in capital assets, net of debt | 93,973 | 5% | 48,560 | 4% |
| Unrestricted | 1,746,784 | 95 | 1,284,769 | 96 |
| Total net position | <u>\$ 1,840,757</u> | <u>100%</u> | <u>\$ 1,333,329</u> | <u>100%</u> |

The District continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio is 36 to 1, compared to 23 to 1 for the prior year.

The District reported positive balances in net position, which increased by \$507,428. The District's overall financial position did remain strong during the fiscal year 2016.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

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

| | <u>2016</u> | | <u>2015</u> | |
|-----------------------------------|-------------------|-------------|------------------|-------------|
| Revenues: | | | | |
| Program | | | | |
| Charges for services | \$ 35,150 | 1% | \$ 35,047 | 1% |
| General: | | | | |
| Ad valorem taxes | 2,576,710 | 96 | 2,510,510 | 95 |
| Intergovernmental | 74,732 | 3 | 71,383 | 3 |
| Interest | 5 | - | 4 | - |
| Other | 1,697 | - | 36,190 | 1 |
| Total Revenues | <u>2,688,294</u> | <u>100%</u> | <u>2,653,134</u> | <u>100%</u> |
| Program expenses: | | | | |
| General and administrative | <u>2,180,866</u> | | <u>2,601,549</u> | |
| Total Expenses | <u>2,180,866</u> | | <u>2,601,549</u> | |
| Change in net position | <u>\$ 507,428</u> | | <u>\$ 51,585</u> | |

GOVERNMENTAL REVENUES

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Management's Discussion and Analysis (Continued)

GOVERNMENTAL FUNCTIONAL EXPENSES

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

| Governmental Activities | | |
|-------------------------|-----------------------------------|---------------------------------|
| | <u>Total Cost of Services</u> | <u>Net Cost of Services</u> |
| General Government | \$ 2,180,866 | \$ 2,145,716 |

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 \$5,072,626, which is unassigned indicating availability for continuing District service requirements.

The excess of revenues over expenditures for the governmental funds show an increase of \$508,678 compared to an increase of \$580,034 for the prior year.

The Governmental Fund's ending fund balance is considered very adequate, representing the equivalent of 233% 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 \$178,244 or 7% and the final budget expenditures exceeded the actual expenditures by \$322,279 or 15%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The District's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2016, was \$93,973. See Note C for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

| Depreciable assets: | 2016 | 2015 |
|-----------------------------------|------------------|------------------|
| Furniture, fixtures and equipment | \$ 451,689 | \$ 382,627 |
| Less accumulated depreciation | 357,716 | 334,067 |
| Book value-depreciable assets | <u>\$ 93,973</u> | <u>\$ 48,560</u> |
| Percentage depreciated | 79% | 87 % |
| Book value-all assets | \$ 93,973 | \$ 48,560 |

The major additions were scanners, desks and a camera for aerial photography in 2016.

Long-term debt

The Calcasieu Parish Tax Assessment District contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Assessor's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at December 31, 2016 was \$3,100,589.

The Calcasieu Parish Tax Assessment District participates in a state-administered cost-sharing multiple-employer retirement system, which together cover substantially all of the District's full-time employees. Net pension liability associated with the retirement system at December 31, 2016 was \$933,909.

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 Wendy Aguillard, 1101 Lakeshore Drive, Room 101, Lake Charles, LA 70601.



INDEPENDENT AUDITORS' REPORT

June 27, 2017

Calcasieu Parish Tax Assessment District
Lake Charles, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Calcasieu Parish Tax Assessment District as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsibility for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Calcasieu Parish Tax Assessment District as of December 31, 2016, and the respective changes in financial position

Calcasieu Parish Tax Assessment District
June 27, 2017
Page Two

for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information on pages 3 through 10, 40 through 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the Calcasieu Parish Tax Assessment District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2017 on our consideration of Calcasieu Parish Tax Assessment District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, 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 on 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* in considering the District's internal control over financial reporting and compliance.

Gragson, Casiday & Guillory

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Statement of Net Position

December 31, 2016

| | |
|---|---------------------|
| ASSETS | |
| Cash | \$ 2,609,260 |
| Receivables, net | 2,603,711 |
| Prepaid expenses | 6,005 |
| Capital assets, net | 93,973 |
| Total assets | <u>5,312,949</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>813,566</u> |
| LIABILITIES | |
| Accounts payable | 34,797 |
| Accrued employee compensation | 111,553 |
| Long-term Liabilities: | |
| Net pension liability | 933,909 |
| Net OPEB obligation | <u>3,100,589</u> |
| Total liabilities | <u>4,180,848</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>104,910</u> |
| NET POSITION | |
| Net investment in capital assets, net of related debt | 93,973 |
| Unrestricted | <u>1,746,784</u> |
| Total net position | <u>\$ 1,840,757</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, 2016

| Activities | Expenses | Program Revenues | | Net Revenues (Expenses) and Changes in Net Assets | |
|--------------------------|--------------|-------------------------|---------------------------------------|--|----------------------------|
| | | Charges for Services | Operating Grants and Contributions | Governmental Activities | Governmental Activities |
| Governmental Activities: | | | | | |
| General government | \$ 2,180,866 | \$ 35,150 | \$ - | \$ (2,145,716) | |
| | | | | | |
| | | | General Revenues | | |
| | | | Property taxes, net | 2,576,710 | |
| | | | State revenue sharing | 74,732 | |
| | | | Other | 1,697 | |
| | | | Interest | 5 | |
| | | | Total General Revenues | <u>2,653,144</u> | |
| | | | Change in Net Position | <u>507,428</u> | |
| | | | Net Position, beginning | <u>1,333,329</u> | |
| | | | Net Position, ending | <u><u>\$ 1,840,757</u></u> | |

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

FUND FINANCIAL STATEMENTS

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Balance Sheet - Governmental Funds

December 31, 2016

| | 2016 | 2015 |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash | \$ 2,609,260 | \$ 2,180,740 |
| Receivables, net: | | |
| Taxes | 2,553,890 | 2,486,120 |
| Intergovernmental | 49,821 | 46,597 |
| Prepaid expenses | 6,005 | 59,274 |
| Total assets | <u>5,218,976</u> | <u>4,772,731</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 5,218,976</u> | <u>\$ 4,772,731</u> |
| LIABILITIES | | |
| Liabilities: | | |
| Accrued employee compensation | \$ 111,553 | \$ 185,241 |
| Accounts payable | 34,797 | 23,542 |
| Total liabilities | <u>146,350</u> | <u>208,783</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> |
| Fund balances: | | |
| Unassigned | 5,072,626 | 4,563,948 |
| Total fund balances | <u>5,072,626</u> | <u>4,563,948</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 5,218,976</u> | <u>\$ 4,772,731</u> |

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

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

December 31, 2016

| | |
|--|--------------------------|
| Total fund balance for governmental funds at December 31, 2016: | \$ 5,072,626 |
| Total net position reported for governmental activities in the Statement of Net Position is different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of: | |
| Capital assets, net of \$357,716 accumulated depreciation | 93,973 |
| Deferred outflows and inflows are not financial resources or currently payable: | |
| Deferred outflows | \$ 813,566 |
| Deferred inflows | <u>(104,910)</u> 708,656 |
| Long-term liabilities at December 31, 2016: | |
| Net pension liability | (933,909) |
| Net OPEB obligation | <u>(3,100,589)</u> |
| Total net position of governmental activities at December 31, 2016 | <u>\$ 1,840,757</u> |

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

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds

Year Ended December 31, 2016

| | 2016 | 2015 |
|---|---------------------|---------------------|
| REVENUES: | | |
| Ad Valorem Taxes | \$ 2,576,710 | \$ 2,510,510 |
| Intergovernmental | 74,732 | 71,383 |
| Charges for services | 35,150 | 35,047 |
| Interest | 5 | 4 |
| Other | 1,697 | 36,190 |
| Total revenues | 2,688,294 | 2,653,134 |
| EXPENDITURES: | | |
| Current: | | |
| General government | 2,110,554 | 2,065,739 |
| Capital Outlay | 69,062 | 7,361 |
| Total expenditures | 2,179,616 | 2,073,100 |
| EXCESS OF REVENUES OVER EXPENDITURES | 508,678 | 580,034 |
| FUND BALANCE, BEGINNING | 4,563,948 | 3,983,914 |
| FUND BALANCE, ENDING | \$ 5,072,626 | \$ 4,563,948 |

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

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

Year Ended December 31, 2016

Total net changes in fund balances December 31, 2016 per
Statement of Revenues, Expenditures and Changes in Fund Balances \$ 508,678

The change in net position 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 the Statement of Expenditures and Changes in Fund Balances | \$ 69,062 | |
| Depreciation expense for the year ended December 31, 2016 | <u>(23,649)</u> | 45,413 |

| | |
|---|---------|
| Net pension (expense) benefit is reported in the governmental fund as expenditures as they are paid, however, in the statement of activities the net position (expense) benefit is reported according to estimates required by GASB 68 | 400,132 |
|---|---------|

| | |
|--|------------------|
| In the Statement of Activities, post employment benefits (OPEB) are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for this item are measured by the amount of financial resources used (essentially the amounts actually paid). | <u>(446,795)</u> |
|--|------------------|

| | |
|---|-------------------|
| Total changes in net position at December 31, 2016 per Statement of Activities | <u>\$ 507,428</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, 2016

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, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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

2. Basis of Presentation

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

Government-Wide Financial Statements

The Statement of Net Position 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, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Financial Statements

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

The major fund of the Assessor is described below:

Governmental Fund –

General Fund

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

3. Measurement Focus/Basis of Accounting

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus

On the government-wide statement of net position 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 position (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 position 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.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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, 2016, the District has cash equivalents (book balances) totaling \$2,609,260 in interest-bearing demand deposit accounts. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting book balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties (GASB Category 3). At December 31, 2016, the District has \$2,612,612 in deposits (collected bank balances). These deposits are secured from risk by \$257,144 of federal deposit insurance and \$2,355,468 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

6. Accounts Receivable

Calcasieu Parish Tax Assessment District utilizes the allowance method to recognize doubtful accounts for ad valorem taxes. The allowance for doubtful accounts at December 31, 2016 was \$25,971.

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.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

7. Capital Assets

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

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

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

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

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 12 days emergency leave (sick leave) each year. Emergency leave not used in the year earned may be carried forward into the following year. Emergency leave is recorded on a "pay as you go" basis. At December 31, 2016 accrued emergency leave was \$111,553.

9. Long-term Debt

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

10. Equity Classification

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

- a. Net investment 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 position – Consists of net position 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 position – All other net position that do not meet the definition of “restricted” or “net investment 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 restricted, assigned and unassigned.

- a. Restricted fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on generally outside actions.
- b. Assigned fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on internal (Board) actions.
- c. Unassigned fund balance – Includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the District to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the District the committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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.

13. Subsequent Events

Management has evaluated events through June 27, 2017, the date the financial statements were available to be issued.

14. Comparative Data

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE B - AD VALOREM TAXES

For the year ended December 31, 2016, taxes were levied on property with taxable assessed valuations as follows:

| | Approximate Valuations | Taxes |
|----------------------------|---------------------------|------------|
| General corporate purposes | \$ 2,044,969,498 | 1.27 mills |

Total taxes levied during 2016 were \$2,597,143.

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2016 follows:

| | Beginning of Year | Additions | Deletions | End of Year |
|--------------------------------------|----------------------|------------------|-------------|------------------|
| Governmental activities: | | | | |
| Furniture, Fixtures and Equipment | \$ 382,627 | \$ 69,062 | \$ - | \$ 451,689 |
| Less accumulated depreciation for: | | | | |
| Furniture, Fixtures and Equipment | <u>334,067</u> | <u>23,649</u> | <u>-</u> | <u>357,716</u> |
| Governmental activities | | | | |
| Capital Assets, Net | <u>\$ 48,560</u> | <u>\$ 45,413</u> | <u>\$ -</u> | <u>\$ 93,973</u> |

NOTE D - PENSION PLAN

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

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

Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE D - PENSION PLAN - CONTINUED

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 Fund also provides death and disability benefits. Benefits are established or amended by state statute.

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

Funding Policy. Plan members are required by state statute to contribute 8.0% of their annual covered salary and the Calcasieu Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 13.5% of annual covered payroll. Contributions to the Fund 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 Fund for the year ending December 31, 2016 were \$237,358.

Plan members are required to contribute 8% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 13.5% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by the System's Board of Trustees. The District's contributions to the System for the year ended December 31, 2016 totaled \$237,358.

At December 31, 2016, the District reported a liability of \$933,909 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2016, the District's proportion was 2.6466130%.

For the year ended December 31, 2016, the District recognized pension benefit of \$400,132 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$(81,973). At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE D - PENSION PLAN – CONTINUED

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 64,704 | \$ 96,339 |
| Difference between expected and actual Investment | 282,422 | - |
| Change in assumption | 119,585 | - |
| Changes in proportion and differences between: | | |
| Contributions and proportionate share of contributions | 108,396 | 8,571 |
| Contributions subsequent to the measurement date | 238,459 | - |
| Total | \$ 813,566 | \$ 104,910 |

\$238,459 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | Amount |
|---------------------|-----------|
| 2016 | \$ 94,039 |
| 2017 | 94,039 |
| 2018 | 94,039 |
| 2019 | 94,040 |
| 2020 | 94,040 |
| Thereafter | - |

Actuarial methods and assumption. The total pension liability in the September 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|--|
| Valuation Date | September 30, 2016 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 7.00% (Net of investment expense, including inflation) |
| Inflation rate | 2.50% |

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE D - PENSION PLAN – CONTINUED

| | |
|--|--|
| Projected Salary Increases | 5.75% (including inflation and merit increases) |
| Disabled Lives Mortality | RP-2000 Disabled Lives Mortality Tables set back five years for males and three years for females. |
| Active member, annuitant and beneficiary mortality | RP 2000 Healthy Annuitant Table set forward one year and projected to 2030 for males and females. |

Discount Rate. The long-term expected rate of return on pension investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for major asset class included in the Fund's target asset allocation as of September 30, 2016 are summarized in the following table:

| Asset Class | Long-Term Expected Portfolio Real Rate of Return |
|----------------------|--|
| Domestic equity | 7.50% |
| International equity | 8.50% |
| Domestic bonds | 2.50% |
| International bonds | 3.50% |
| Real estate | 4.50% |

The long-term expected rate of return selected for this report by the Fund was 7.00%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions and the other assumptions and methods as specified in this report, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Thus, the discount rate used to measure the total pension liability was 7.00%.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE D - PENSION PLAN – CONTINUED

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2015 is 6 years.

Sensitivity to changes in discount rate. The following presents the net pension liability of the District calculated using the discount rate of 7.00%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

| Changes in Discount Rate 2016 | | | |
|-------------------------------|----------------------|------------------|----------------------|
| | 1% Decrease 6.00% | Current 7.00% | 1% Increase 8.00% |
| Net Pension Liability (Asset) | \$ 1,973,995 | \$ 933,909 | \$ 42,070 |

NOTE E - POST RETIREMENT BENEFITS OTHER THAN PENSION

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

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE E - POST RETIREMENT BENEFITS OTHER THAN PENSION - CONTINUED

(prior to January 1, 2009) will be amortized and recognized as an expense over thirty years.

Funding Policy. The Assessor pays 100% of retirees' medical and life insurance premiums and 50% of the retirees' dependent medical coverage. The eligibility requirement is that the former employee must have met the requirements of the retirement system. These requirements are at least twelve years of coverage service and at least fifty-five years of age or thirty years of service. The number of participants currently eligible to receive benefits is twenty. For the year ended December 31, 2016, the Assessor contributed \$143,401 to the plan.

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

| | |
|--|---------------------|
| Annual require contribution | \$ 646,666 |
| Interest of prior year net OPEB obligation | 88,280 |
| Adjustment to annual required contribution | <u>(144,750)</u> |
| Annual OPEB Cost | 590,196 |
| Contributions made | <u>(143,401)</u> |
| Increase in net OPEB obligation | 446,795 |
| Net OPEB obligation at beginning of year | <u>2,653,794</u> |
| Net OPEB obligation at end of year | <u>\$ 3,100,589</u> |

The Assessor's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and net OPEB obligation for the year 2016 was \$590,196, 24%, and \$3,100,589, respectively.

Funded Status and Funding Process. As of December 31, 2016, the actuarial accrued liability for benefits was \$5,699,478, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$1,119,567, and ratio of unfunded actuarial accrued liability to the covered payroll was 509%.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events for into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE E - POST RETIREMENT BENEFITS OTHER THAN PENSION - CONTINUED

annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-trend information about whether the actuarial value of plan asset is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Because requirements of GASB 45 were implemented starting with the year ended December 31, 2009, only five years are available.

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

Actuarial Cost Method. The ARC is determined using the Unit Credit Cost Method. This method determines, in a systematic way, the incidence of plan sponsor contributions required to provide plan benefits. It also determines how actuarial gains and losses are recognized in OPEB costs. These gains and losses result from the difference between the actual experience under the plan and what was anticipated by the actuarial assumptions.

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

NOTE F - DEFERRED COMPENSATION PLAN

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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

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

NOTE H - RISK MANAGEMENT

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

NOTE I – RENTALS UNDER OPERATING LEASES

In September 2013, the District began leasing two copiers under an operating lease that expires in September 2018.

The following is a schedule by years of the future minimum rental payments required by these operating leases as of December 31, 2016:

| Year Ending <u>December 31</u> | Amount |
|-----------------------------------|----------|
| 2017 | \$ 8,853 |
| 2018 | 6,640 |

NOTE J – TAX ABATEMENTS

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millages in force at the time. The future value of this exempt property could be subject to significant fluctuation from today's value; however, the Assessor could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. All applicable agreements have been entered into by the Calcasieu Parish Police Jury and directly affect the Assessor's ad valorem assessments. Because these taxes are not assessed or due, no adjustments have been made to the Assessor's financial statements to record a receivable. As of December 31, 2016. \$1,763,892,350 of assessed property in the District's taxing jurisdiction is receiving this exemption, which amounts to \$2,240,143 in ad valorem taxes.

REQUIRED SUPPLEMENTAL INFORMATION

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2016

| | Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|--------------------|--|
| REVENUES: | | | |
| Ad Valorem Taxes | \$2,400,000 | \$2,576,710 | \$ 176,710 |
| Intergovernmental | 74,000 | 74,732 | 732 |
| Charges for services | 34,000 | 35,150 | 1,150 |
| Interest | 50 | 5 | (45) |
| Other | 2,000 | 1,697 | (303) |
| Total revenues | 2,510,050 | 2,688,294 | 178,244 |
| EXPENDITURES: | | | |
| Current: | | | |
| General government | 2,441,895 | 2,110,554 | 331,341 |
| Capital Outlay | 60,000 | 69,062 | (9,062) |
| Total expenditures | 2,501,895 | 2,179,616 | 322,279 |
| EXCESS OF REVENUES OVER EXPENDITURES | 8,155 | 508,678 | 500,523 |
| FUND BALANCE, BEGINNING | 4,563,948 | 4,563,948 | - |
| FUND BALANCE, ENDING | \$4,572,103 | \$5,072,626 | \$ 500,523 |

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Employee Health Care Plan

December 31, 2016

Schedule of Funding Progress (Unaudited)

| <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets</u> | <u>Actuarial Accrued Liability (AAL)</u> | <u>Unfunded Actuarial Accrued Liability (UAAL)</u> | <u>Funded Ratio</u> | <u>Covered Payroll</u> | <u>UAAL as a Percentage of Covered Payroll</u> |
|---------------------------------|----------------------------------|--|--|---------------------|------------------------|--|
| January 1, 2009 | \$ 0 | \$ 4,348,819 | \$ 4,348,819 | 0.00% | \$ 1,094,599 | 397% |
| January 1, 2010 | \$ 0 | \$ 4,348,819 | \$ 4,348,819 | 0.00% | \$ 1,094,599 | 397% |
| January 1, 2011 | \$ 0 | \$ 4,348,819 | \$ 4,348,819 | 0.00% | \$ 989,995 | 439% |
| January 1, 2012 | \$ 0 | \$ 4,900,365 | \$ 4,900,365 | 0.00% | \$ 921,346 | 532% |
| January 1, 2013 | \$ 0 | \$ 4,900,365 | \$ 4,900,365 | 0.00% | \$ 956,554 | 512% |
| January 1, 2014 | \$ 0 | \$ 4,900,365 | \$ 4,900,365 | 0.00% | \$ 1,038,873 | 472% |
| January 1, 2015 | \$ 0 | \$ 5,699,478 | \$ 5,699,478 | 0.00% | \$ 1,119,567 | 509% |
| January 1, 2016 | \$ 0 | \$ 5,699,478 | \$ 5,699,478 | 0.00% | \$ 1,143,763 | 498% |

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Schedule of Employer's Proportionate Share of Net Pension Liability

Year Ended December 31, 2016*

Louisiana Assessors' Retirement Fund:

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|-------------|-------------|-------------|-------------|
| Employer's portion of the net pension liability (asset) | 2.646613% | 2.641526% | 2.677118% | 2.188081% |
| Employer's proportionate share of the net pension liability (asset) | \$ 933,909 | \$1,382,371 | \$ 935,911 | \$ 958,174 |
| Employer's covered payroll | \$1,143,763 | \$1,119,567 | \$1,038,873 | \$ 927,916 |
| Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 122.47% | 123.47% | 90.09% | 103.26% |
| Plan fiduciary net position as a percentage of the total pension liability | 90.68% | 85.57% | 89.98% | 86.72% |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

*The amounts presented have a measurement date of September 30, 2016.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

Schedule of Employer Contributions

Year Ended December 31, 2016

| Date | Contractually Required Contribution | Contributions in Relation to Contractually Required Contribution | Contribution Deficiency (Excess) | Employer's Covered Employee Payroll | Contributions as a % of Covered Employee Payroll |
|------|-------------------------------------|--|----------------------------------|-------------------------------------|--|
| 2013 | \$ 199,369 | \$ 199,369 | \$ - | \$ 927,916 | 21.49% |
| 2014 | \$ 222,938 | \$ 222,938 | \$ - | \$ 1,038,873 | 21.50% |
| 2015 | \$ 241,436 | \$ 241,436 | \$ - | \$ 1,119,567 | 21.56% |
| 2016 | \$ 238,459 | \$ 238,459 | \$ - | \$ 1,143,763 | 20.85 |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

OTHER INFORMATION

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

CALCASIEU PARISH TAX ASSESSMENT DISTRICT

Schedule of Compensation, Benefits and Other Payments
To Chief Executive Officer

Year Ended December 31, 2016

Chief Executive Officer: Wendy Aguillard, Assessor

| <u>Purpose</u> | <u>Amount</u> |
|--|---------------|
| Salary | \$ 152,640 |
| Benefits-insurance | 8,512 |
| Benefits-retirement | 29,834 |
| Benefits-cell phone | - |
| Car allowance | - |
| Vehicle provided by government | - |
| Per diem | - |
| Reimbursements | 2,906 |
| Travel | 648 |
| Conference travel | - |
| Continuing professional education fees | - |
| Housing | - |
| Unvouchedered expenses | - |
| Special meals | - |
| Other – office parking | 261 |



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

June 27, 2017

Calcasieu Parish Tax Assessment District
Lake Charles, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities and the major fund of the Calcasieu Parish Tax Assessment District as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 27, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Calcasieu Parish Tax Assessment District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable of any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislate Auditor as a public document.

Gragson, Casiday & Guillory

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended December 31, 2016

1. Summary of Auditors' Results:

Type of auditors' opinion issued: unqualified

Internal control over financial reporting:

| | | |
|--|------------------------------|---|
| Material weakness(es) identified? | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no |
| Control deficiency(ies) identified that are not considered to be material weakness(es)? | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> none reported |
| Noncompliance material to financial statements noted? | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no |

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

None

3. Findings and Questioned Costs for Federal Awards

N/A

4. Prior Year Audit Findings

None