

**RAPIDES PARISH ASSESSOR
ALEXANDRIA, LOUISIANA**

December 31, 2017

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Independent Auditor's Report

Rapides Parish Assessor
Alexandria, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Rapides Parish Assessor, a component unit of the Rapides Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Rapides Parish Assessor's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 policies used and the reasonableness of significant accounting 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Rapides Parish Assessor as of December 31, 2017, and 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 budgetary comparison information, schedules of pension information and other postemployment benefit information on pages 27-30 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 supplementary 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rapides Parish Assessor's basic financial statements. The schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer included on page 32 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing

standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 19, 2018, on our consideration of the Rapides Parish Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Rapides Parish Assessor's internal control over financial reporting and compliance.

Oestrieche & Company

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

June 19, 2018

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**Rapides Parish Assessor
Statement of Net Position
December 31, 2017**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 1,964,671	\$ -	\$ 1,964,671
Receivables	1,552,186	-	1,552,186
Prepaid expenses	9,604	-	9,604
Capital assets, net of accumulated depreciation	46,269	-	46,269
Total assets	3,572,730	-	3,572,730
DEFERRED OUTFLOWS OF RESOURCES	404,515	-	404,515
<u>Liabilities</u>			
Current liabilities			
Accounts payable	1,906	-	1,906
Total current liabilities	1,906	-	1,906
Long term liabilities			
Other postemployment benefits	2,460,858	-	2,460,858
Pension liability	348,848	-	348,848
Total liabilities	2,811,612	-	2,811,612
DEFERRED INFLOWS OF RESOURCES	646,690	-	646,690
<u>Net Position</u>			
Net investment in capital assets	46,269	-	46,269
Unrestricted net position	472,674	-	472,674
Restricted net position	-	-	-
Total net position	\$ 518,943	\$ -	\$ 518,943

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

**Rapides Parish Assessor
Statement of Activities
For The Year Ended December 31, 2017**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		
					<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
GOVERNMENTAL ACTIVITIES							
Primary Government							
Governmental activities							
General fund	<u>\$1,866,984</u>	<u>\$ 1,760,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (106,448)</u>	<u>\$ -</u>	<u>\$ (106,448)</u>
Total governmental activities	<u>1,866,984</u>	<u>1,760,536</u>	<u>-</u>	<u>-</u>	<u>(106,448)</u>	<u>-</u>	<u>(106,448)</u>
Total primary government	<u><u>\$1,866,984</u></u>	<u><u>\$ 1,760,536</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (106,448)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (106,448)</u></u>
		General revenues:					
						9,641	
						<u>37,005</u>	
						<u>46,646</u>	
						<u>\$ (59,802)</u>	
						<u>578,745</u>	
						<u><u>\$ 518,943</u></u>	

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

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

Balance Sheet
Governmental Funds
Rapides Parish Assessor
December 31, 2017

	General Fund
<u>Assets</u>	
Cash	\$ 1,964,671
Receivables	
Ad valorem taxes receivable	1,548,011
Interest receivable	1,739
Other receivables	2,436
Prepaid expenses	9,604
Total assets	\$ 3,526,461
 <u>Liabilities and fund balance</u>	
Liabilities:	
Accounts payable	\$ 1,906
Total liabilities	1,906
Fund balance:	
Restricted	-
Unassigned	3,524,555
Total fund balances	3,524,555
Total liabilities and fund balances	\$ 3,526,461

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

**Reconciliation of the Balance Sheet
of Governmental Funds
to the Statement of Net Position
December 31, 2017**

Total fund balance-total governmental funds	\$ 3,524,555
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Capital assets of \$328,730 net of accumulated depreciation of (\$282,461), are not financial resources and, therefore, are not reported in the funds.	\$ 46,269
Pension liability not reported in the fund financial statements	(348,848)
Postemployment benefit liability not reported in the fund financial statements	(2,460,858)
The deferred outflows of expenditures for the pension obligation are not a use of current resources, and therefore, are not reported in the fund financial statements	404,515
The deferred inflows of contributions for the pension obligation are not available resources, and therefore, are not reported in the fund financial statements	<u>(646,690)</u>
	<u>(3,005,612)</u>
Net position of governmental activities	<u><u>\$ 518,943</u></u>

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

**Statement of Revenues, Expenditures, and Changes
in Fund Balances-Governmental Funds
Rapides Parish Assessor
For the year ended December 31, 2017**

	General Fund
Revenues:	
Millage revenue	\$ 1,705,833
State revenue sharing	54,703
Interest revenue	9,641
Other revenue	37,005
Total revenues	1,807,182
Expenditures:	
Current:	
Personal services and benefits	1,349,024
Operating services	50,078
Material and supplies	161,724
Travel and other charges	39,307
Capital outlay	26,120
Total expenditures	1,626,253
Excess (deficiency) of revenues over expenditures	180,929
Fund balances, beginning	3,343,626
Fund balances, ending	\$ 3,524,555

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

**Reconciliation of the Statement of
Revenues, Expenditures, and Changes in Fund Balance
to the Statement of Activities
For the year ended December 31, 2017**

Net changes in fund balances-total governmental funds		\$ 180,929
Amounts reported for <i>governmental activities</i> in the statement of activities are 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 expenditures	\$ 26,120	
Depreciation expense	<u>(18,324)</u>	7,796
Differences between the amounts reported as an expense in the statement of activities and those reported as an expense in the fund financial statements		
Other postemployment benefit obligation	(163,865)	
Pension expense	<u>(84,662)</u>	<u>(248,527)</u>
Change in net assets of governmental activities		<u>\$ (59,802)</u>

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

RAPIDES PARISH ASSESSOR
Notes to the Financial Statements
December 31, 2017

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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 term of four years, beginning January 1 following the year in which elected. The Assessor assesses all real and movable property in the parish, subject to ad valorem taxation, prepares tax rolls, and submits the rolls to the Louisiana Tax Commission and other governmental bodies as prescribed by law. The Assessor is authorized to appoint as many deputies as necessary for the efficient operation of his office and to provide assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the Assessor is responsible for the actions of the deputies.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The accompanying financial statements of the Rapides Parish Assessor 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. The following is a summary of certain significant accounting policies and practices:

Reporting Entity - Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining the governmental reporting entity and components units that should be included within the reporting entity. Generally, component units are legally separate organizations for which the elected officials or appointed board members of the primary government are financially accountable. Some of the criteria considered under “legally separate organization” are as follows: (1) the capacity for the organization to have its own name; (2) the right for the organization to sue and be sued in its own name without recourse to the primary government; and (3) the right to buy, sell, lease, and mortgage property in its own name. Some of the criteria used to be considered “financially accountable” include the following: (1) appointment of a voting majority of the organization’s governing body; (2) ability for the primary government to impose its will on the organization; (3) whether the organization has the potential to provide specific financial benefits to or improve specific financial burdens on the primary government; and (4) fiscal dependence of the organization. Based upon the application of these criteria, there are no component units of the Rapides Parish Assessor.

RAPIDES PARISH ASSESSOR
Notes to the Financial Statements
December 31, 2017

The Rapides Parish Assessor relies upon the Rapides Parish Police jury for facility space and certain other costs. Therefore, under GAAP and guidelines issued by the Louisiana Legislative Auditor, the Rapides Parish Assessor is considered a component unit of the Rapides Parish Police Jury. This report only includes all funds that are controlled by or dependent upon the Rapides Parish Assessor.

Fund Accounting - The accounts of the Rapides Parish Assessor are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are categorized as follows:

Governmental Fund

General Fund - The General Fund is the general operating fund of the Rapides Parish Assessor. It 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.

Measurement Focus – The government-wide statements report 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 its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting – Governmental fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources

RAPIDES PARISH ASSESSOR
Notes to the Financial Statements
December 31, 2017

resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The revenue received by the Rapides Parish Assessor is generated through ad valorem and the related state revenue sharing. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47: 1995 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Based on the above criteria, ad valorem tax and the related state revenue sharing are treated as susceptible to accrual.

Budgets and Budgetary Accounting – A proposed budget is published in the official journal at least ten days prior to a public hearing. The public hearing is held at the Assessor's office during the month of December for comments from taxpayers. The proposed budget is then legally adopted and amended during the year, as necessary, by the Assessor.

Appropriation lapse at year-end and must be re-appropriated for the following year to be expended.

Formal budgetary integration is not employed as management control device during the year. Encumbrances are not recorded or recognized in the budget of the Assessor.

Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

Cash - Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the Rapides Parish Assessor may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

RAPIDES PARISH ASSESSOR
Notes to the Financial Statements
December 31, 2017

Capital Assets - The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus.

All government fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

All capital assets are stated at historical cost. Historical costs include not only the purchase price and construction costs, but also ancillary charges to place the asset in its intended location and condition for use. Assets that cost over \$1,000 are capitalized. Capital assets are depreciated using the straight-line method over their estimated useful lives.

Compensated Absences – Employees of the Assessor’s office earn 12 days of vacation leave and 12 days of sick leave each year. All leave must be used in the year it is earned. Based on the policies of the Assessor, relating to vacation and sick leave, there are no accumulated or vested benefits relating to compensated absences, at December 31, 2017, which require recognition or disclosure to conform with generally accepted accounting principles.

Fund Balances – Rapides Parish Assessor has adopted the provisions of GASB 54 related to the classification of governmental fund balances. The governmental fund balances are classified as follows:

Nonspendable - amounts that are not in spendable form.

Restricted – amounts that can be used only for specific purposes as defined by law. Restrictions may be established, modified, or rescinded only through ordinances or resolutions approved by the Rapides Parish Assessor or changes in Louisiana state law.

Committed – amounts constrained to specific purposes, by the Assessor, using the highest level of decision-making authority. These funds balances cannot be used for any other purpose unless the Assessor takes the same highest level action to remove or modify the constraint.

Assigned – amounts the Assessor intends to use for a specific purpose. Intent is expressed by the Assessor.

Unassigned – all other spendable amounts.

RAPIDES PARISH ASSESSOR
Notes to the Financial Statements
December 31, 2017

The Assessor establishes fund balance commitments and assignments by passage of a resolution, typically uses restricted fund balances first, followed by committed, assigned, and unassigned fund balances when expenditure is incurred for purposes for which amounts in any of these classifications could be used.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. This will affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these amounts.

2. CASH

As of December 31, 2017, cash and cash equivalents totaled \$1,964,671, of which all is classified as unassigned. Cash balances are insured to Federal Deposit Insurance Corporation limits. As of December 31, 2017, the Rapides Parish Assessor's bank balance of \$1,971,876 was not exposed to custodial credit risk in that \$3,859,283 was collateralized by securities held by the pledging bank in the Assessor's name.

3. CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Equipment	\$ 309,072	\$ 26,120	\$ (6,462)	\$ 328,730
Accumulated depreciation	<u>(270,599)</u>	<u>(18,324)</u>	<u>6,462</u>	<u>(282,461)</u>
Capital assets, net	<u>\$ 38,473</u>			<u>\$ 46,269</u>

4. PENSION PLAN:

For the purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension expense, information about the fiduciary net position of the Louisiana Assessors' Retirement Fund, and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the systems. The system's financial statements are prepared using the accrual

RAPIDES PARISH ASSESSOR
Notes to the Financial Statements
December 31, 2017

basis of accounting. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Plan Description – Substantially all employees of the Assessor, except part-time and temporary employees, are members of the Louisiana Assessors’ Retirement Fund (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The Plan provides pension, death, and disability benefits.

The following brief description of the Louisiana Assessors’ Retirement Fund and Subsidiary (collectively referred to as the “Fund”) is provided for general information purposes only. Participants should refer to the Plan Agreement for more complete information.

Pension Benefits – Employees who were hired before October 1, 2013 will be eligible for pension benefits once they have either reached the age of fifty-five and have at least twelve years of service or have at least thirty years of service, regardless of age. Employees who were hired on or after October 1, 2013 will be eligible for pension benefits once they have either reached the age of sixty and have at least twelve years of service or have reached the age of fifty-five and have at least thirty years of service.

Employees who became members prior to October 1, 2006 are entitled to annual pension benefits equal to three and one-third percent of their average final compensation based on the 36 consecutive months of highest pay, multiplied by their total years of service, not to exceed 100% of final compensation. Employees who become members on or after October 1, 2006 will have their benefit based on the highest 60 months of consecutive service. Employees may elect to receive their pension benefits in the form of a joint/survivor annuity.

Contributions – Contributions for all members are established by statute at 8.0% of earned compensation. Employer contributions were 10% of members’ earnings for the year ended September 30, 2017.

The Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state as well as a state revenue share appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System’s Actuarial Committee. Although the direct employer actuarially required contribution for the fiscal year ended September 30, 2017 is 4.69%, the actual employer

RAPIDES PARISH ASSESSOR
Notes to the Financial Statements
December 31, 2017

contribution rate for the fiscal year ended September 30, 2017 was 10%. The actual rate differs from the actuarially required rate due the state statutes that require the contribution rate be calculated and set one year prior to the year effective. The minimum direct employer actuarially required contribution will be 5.25% for fiscal year 2018. Contributions to the pension plan from the Assessor were \$83,501 for the year ended December 31, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2017, the Assessor reported a liability of \$348,848 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Assessor's proportion of the net pension liability was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contributions of all participating employer's, actuarially determined. At September 30, 2017, the Assessor's proportion was 1.988064%, which was an increase of 0.08389% from its proportion measured as of September 30, 2016.

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2017, the Assessor recognized \$168,165 in pension expense.

At December 31, 2017, the Assessor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows <u>Of Resources</u>	Deferred Inflows <u>of Resources</u>
Difference between expected and actual experience	\$ 38,883	\$ 109,525
Change of assumptions	218,183	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	63,948	402,174
Net differences between projected and actual earnings on plan investments	-	134,991
Contributions subsequent to the measurement date	<u>83,501</u>	<u>-</u>
Total	<u>\$ 404,515</u>	<u>\$ 646,690</u>

RAPIDES PARISH ASSESSOR
Notes to the Financial Statements
December 31, 2017

Deferred outflows of resources of \$83,501 resulting from the Assessor’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>December 31</u>	
2018	\$ (81,910)
2019	(64,140)
2020	(93,466)
2021	(70,804)
2022	<u>(15,356)</u>
	<u>\$ (325,676)</u>

Detailed information about the pension plan’s assets, deferred outflows, deferred inflows, and fiduciary net position that were used in the measurement of the Assessor’s net pension liability is available in the separately issued plan financial reports at <http://www.louisianaassessors.org>.

Actuarial Methods and Assumptions: The current year actuarial assumptions utilized for this report are based on the assumptions used in the September 30, 2017 actuarial finding valuation, which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, unless otherwise specified in this report. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience. All assumptions selected were determined to be reasonable and represent expectation of future experience for the Fund.

Actuarial Cost Method	Entry age normal
Investment rate of return (discount rate)	6.75%, net of pension plan investment expense, including inflation
Inflation Rate	2.50%
Salary Increases	5.75%
Active member, annuitant and beneficiary mortality	RP 2000 Healthy Annuitant Table, set forward one year and projected to 2030 for males and females
Disabled Lives Mortality	RP-2000 Disabled Lives Mortality Tables set back five years for males and three years for females.

RAPIDES PARISH ASSESSOR
Notes to the Financial Statements
December 31, 2017

Discount Rate: The long-term expected rate of return on pension plan 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 each major asset class included in the pension plan's target asset allocation as of September 30, 2017, are summarized in the following table.

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return for 2017</u>
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real estate	4.50%
Alternative Assets	6.24%

The long-term expected rate of return selected for this report by the Fund was 6.75%. The projection of cash flows used to determine the discount rate assumes that contributions from the 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 the 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 6.75%.

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

RAPIDES PARISH ASSESSOR
Notes to the Financial Statements
December 31, 2017

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 2017 is 6 years.

Sensitivity to Changes in Discount Rate: The following presents the net pension liability of the Fund calculated using the discount rate of 6.75%, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current discount rate (assuming all other assumptions remain unchanged):

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability	<u>\$ 1,182,953</u>	<u>\$ 348,848</u>	<u>\$ (366,201)</u>

5. DEFERRED COMPENSATION PLAN:

The Rapides Parish Assessor offers its employees participation in the State of Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. 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.

6. POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS:

From an accrual accounting perspective, the cost of postemployment healthcare and life insurance benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, during the year ended December 31, 2009, the Assessor recognizes the cost of postemployment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Assessor's future cash flows. Because the Assessor is adopting the requirements of GASB Statement No. 45 prospectively,

RAPIDES PARISH ASSESSOR
Notes to the Financial Statements
December 31, 2017

recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

Plan Description: Continuing health care and life insurance benefits are provided for those retired employees who have reached normal retirement age while employed by the Assessor. The plan is a cost sharing, multiple-employer defined benefit health care plan administered by the Insurance Committee of the Assessor’s Insurance Fund DBA Louisiana Assessor’s Association. The Insurance Committee of the Assessor’s Insurance Fund has the authority to establish and amend the benefit provisions of the plan. The plan issued a publicly available financial report.

Funding Policy: Health claims for active and retired participants are processed through Gilsbar, the third party administrator, but the responsibility for payments to participants and providers is retained by the plan. The monthly premiums are paid solely by the Assessor. The Assessor recognizes the cost of providing these benefits (the Assessor’s portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Annual OPEB Cost: The Assessor’s annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Assessor utilizes the level-dollar amortization method to amortize the unfunded actuarial accrued liability.

The following table shows the components of the Assessor’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the assessor’s net OPEB obligation:

Annual required contribution	\$ 320,005
Interest on net OPEB obligation	91,880
Adjustment to annual required contribution	<u>(150,653)</u>
Annual OPEB cost	261,232
Contributions made	<u>(97,367)</u>
Increase in net OPEB obligation	163,865
Net OPEB obligation – beginning of year	<u>2,296,993</u>
Net OPEB obligation – end of year	<u>\$ 2,460,858</u>

RAPIDES PARISH ASSESSOR
Notes to the Financial Statements
December 31, 2017

The Assessor's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017, 2016, and 2015 follows:

Fiscal Year <u>Ended</u>	Annual OPEB <u>Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
12/31/15	\$270,389	32.2%	\$2,122,503
12/31/16	\$265,696	34.3%	\$2,296,993
12/31/17	\$261,232	37.3%	\$2,460,858

Funded Status and Funding Progress: The funded status of the plan as of December 31, 2017, was as follows:

Actuarial accrued liability (AAL)	\$2,460,858
Actuarial valuation of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$2,460,858</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	<u>\$ 864,080</u>
UAAL as a percentage of covered payroll	284%

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectation and new estimates about the future are formulated. Although the valuation results are based on values which the Assessor's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress included in required supplementary information following the notes to the financial statements, will present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. GASB statement No. 45 requires an actuarial valuation at least triennially for plans with less than 200 participants.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan

RAPIDES PARISH ASSESSOR
Notes to the Financial Statements
December 31, 2017

members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2017 actuarial valuation, the unit credit actuarial cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. Investment return of 4% per annum, compounded annually.

2. Retirement Rates

<u>Age</u>	<u>Male</u>	<u>Female</u>
46-49	22.0%	22.0%
50-54	44.0%	44.0%
55-57	4.0%	4.0%
58-62	18.0%	18.0%
63+	28.0%	28.0%

3. 100% of members at retirement are assumed to elect retiree medical coverage.

4. For actives, it is assumed that husbands are three years older than their wives. 20% of active participants making it to retirement are assumed to be married and elect spouse coverage.

5. The medical inflation trend rate is 5.5%.

7. EXPENDITURES OF THE ASSESSOR PAID BY THE RAPIDES PARISH POLICE JURY

The Rapides Parish Police Jury provided the office space and utilities for the Assessor's office for the year ended December 31, 2017. These expenditures are not reflected in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule
All Governmental Fund Types
Rapides Parish Assessor
For the year ended December 31, 2017

GENERAL FUND				
	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues:				
Millage revenue	\$ 1,581,000	1,581,000	\$ 1,705,833	\$ 124,833
Revenue sharing	53,000	53,000	54,703	1,703
Interest earned	3,000	3,000	9,641	6,641
City rolls	30,000	30,000	37,005	7,005
Miscellaneous	500	500	-	(500)
Total revenues	1,667,500	1,667,500	1,807,182	139,682
Expenditures:				
Professional fees	50,000	50,000	50,078	(78)
Salary - Assessor	144,314	144,314	144,314	-
Salary - Full time	830,000	830,000	719,765	110,235
Salary - Part time	40,000	40,000	11,365	28,635
Payroll taxes	20,000	20,000	13,654	6,346
Retirement expense	90,000	90,000	83,501	6,499
Insurance expense	410,000	410,000	376,425	33,575
Office expense	180,000	180,000	155,053	24,947
Travel expense	20,000	20,000	17,420	2,580
Auto expense	30,000	30,000	7,456	22,544
Misc. office equipment	80,000	80,000	6,671	73,329
Expense allowance - Assessor	14,431	14,431	14,431	-
Capital outlay	-	-	26,120	(26,120)
Total expenditures	1,908,745	1,908,745	1,626,253	282,492
Excess (deficiency) of revenues over expenditures	(241,245)	(241,245)	180,929	(142,810)
Other financing sources (uses)				
Transfers	-	-	-	-
Fund balances, beginning	3,343,626	3,343,626	3,343,626	-
Fund balances, ending	\$ 3,102,381	\$ 3,102,381	\$ 3,524,555	\$ (142,810)

Rapides Parish Assessor
Schedules of Required Supplementary Information - OPEB
For the year ended December 31, 2017

**Schedule of Funding Progress for the
Employee Healthcare Plan**

Schedule 1

Actuarial Valuation Date January 1	Actuarial Value of Assets	Discount Rate	Actuarial Accrued Liability UAAL	Unfunded Actuarial Accrued Liability UAAL	Funded Ratio
2015	-	4%	\$ 2,789,345	\$ 2,789,345	0%
2016	-	4%	2,789,345	2,789,345	0%
2017	-	4%	2,789,345	2,789,345	0%

Rapides Parish Assessor
Schedules of Required Supplementary Information - OPEB
For the year ended December 31, 2017

**Schedule of Employer Contribution for the
Employee Healthcare Plan**

Schedule 2

Year Ending December 31	Annual OPEB Cost	Annual Contributed	Percentage of Annual OPEB Costs Contributed	Increase (Decrease) to Net OPEB Obligation	Net OPEB Obligation
2017	\$ 261,232	\$ 97,367	37.30%	\$ 163,865	\$ 2,460,858
2016	265,696	91,206	34.30%	174,490	2,296,993
2015	270,389	87,016	32.20%	183,373	2,122,503
2014	399,188	117,713	29.50%	281,475	1,939,130
2013	412,114	107,098	26.00%	305,016	1,657,655
2012	412,114	107,098	26.00%	305,016	1,352,609
2011	450,786	90,801	20.10%	359,985	1,047,562
2010	436,941	90,801	20.80%	346,140	687,577
2009	423,283	81,846	19.30%	341,437	341,437

Rapides Parish Assessor
Schedules of Required Supplementary Information - Pension
For the year ended December 31, 2017

Schedule of Proportionate Share of Pension Liability	Schedule 3
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Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered-employee payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
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Louisiana State Employees' Retirement System

2017	1.98806%	\$ 348,848	\$ 864,080	40%	95.61%
2016	1.90418%	671,926	825,157	81%	90.68%
2015	1.83585%	960,740	772,768	124%	85.57%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

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

Schedule of Employer Contributions on Pension Liability	Schedule 4
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Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered-employee payroll	Contributions as a percentage of covered-employee payroll
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Louisiana State Employees' Retirement System

2017	\$ 83,501	\$ 83,501	\$ -	\$ 864,080	9.7%
2016	105,932	105,932	-	825,157	12.8%
2015	106,197	106,197	-	772,768	13.7%

*Amounts presented were determined as of the end of the fiscal year.

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

Notes to Required Supplementary Information

Changes of Benefit Terms

There were no changes of benefit terms for the year ended December 31, 2017

Changes of Assumptions

There were no changes of benefit assumptions for the year ended December 31, 2017

SUPPLEMENTARY INFORMATION

**Rapides Parish Assessor
Schedule of Compensation, Benefits, and Other Payments
To Agency Head or Chief Executive Officer
For the year ended December 31, 2017**

Agency Head Richard I. "Rick" Ducote, Jr., CLA

Salary	\$ 155,805
Insurance	22,212
Retirement	15,081
IAAO Membership Dues	210
Vehicle Provided by Government	2,940
Travel	1,668
Registration Fees	455
Conference Travel	<u>1,038</u>
 Total	 <u>\$ 199,409</u>



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Independent Auditor's 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*

Rapides Parish Assessor
Alexandria, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Rapides Parish Assessor, a component unit of the Rapides Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, and have issued our report thereon dated June 19, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Rapides Parish Assessor'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Rapides Parish Assessor's internal control. Accordingly, we do not express an opinion on the effectiveness of the Rapides Parish Assessor'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 the Rapides Parish Assessor's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing to 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 *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Oestriecher & Company

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

June 19, 2018

Rapides Parish Assessor
Schedule of Findings and Questioned Costs
For the year ended December 31, 2017

Section I - Summary of Auditor's Reports

We have audited the basic financial statements of the Rapides Parish Assessor as of and for the year ended December 31, 2017, and have issued our report thereon dated June 19, 2018. We conducted our audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2017 resulted in an unqualified opinion.

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Questioned Costs

There were no federal awards.

Rapides Parish Assessor
Summary Schedule of Prior Audit Findings
For the year ended December 31, 2017

Section I – Internal Control and Compliance Material to the Financial Statements

None Reported.

Section II – Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III – Federal Awards Findings and Questioned Costs

There were no federal awards.



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Richard I. "Rick" Ducote, Jr., CLA and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Rapides Parish Assessor and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Rapides Parish Assessor's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the AICPA and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

a. **Budgeting**, including preparing, adopting, monitoring, and amending the budget

Finding: The written policies related to budgeting include information on all required elements.

b. **Purchasing**, including (1) how purchases are initiated; (2) the preparation and approval process of purchase requisitions and purchase orders; (3) controls to ensure compliance with the public bid law or state purchasing rules and regulations; and (4) documentation required to be maintained for all bids and price quotes.

Finding: The written policies related to purchasing include procedures for all required elements.



- c. *Disbursements*, including processing, reviewing, and approving

Finding: The written policies related to processing, reviewing, and approving disbursements include procedures for all required elements.

- d. *Receipts*, including receiving, recording, and preparing deposits

Finding: The written policies related to receiving, recording, and preparing deposits of receipts include procedures for all required elements.

- e. *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Finding: The written policies related to payroll processing, reviewing, and approving time and attendance records, including leave and overtime worked, include procedures for all required elements.

- f. *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions (3) approval process, and (4) monitoring process

Finding: The written policies related to contracting include procedures for all required elements.

- g. *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

Finding: The written policies related to credit cards include procedures for all required elements.

- h. *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (2) documentation requirements, (3) time-frame in which request must be submitted and (4) required approvers.

Finding: The written policies and procedures related to travel and expense reimbursements include all required elements.

- i. *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, and (3) system to monitor possible ethics violations.

Finding: The written policies and procedures related to ethics include all required elements.

- j. **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements

Finding: The written policies and procedures related to debt service include all required elements.

Bank Reconciliation

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Finding: Rapides Parish Assessor provided a listing of 1 bank account and represented the listing was complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts. For each of the bank accounts in the listing provided by management, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a. Bank reconciliations have been prepared;

Finding: Bank reconciliations were prepared every month.

- b. Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation;

Finding: New policies and procedures were enacted within the current year. Beginning in November 2017, management was required to sign reviewed bank reconciliations.

- c. If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Finding: Rapides Parish Assessor did not have any items outstanding for more than 6 months. This is not applicable.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Finding: Rapides Parish Assessor does not collect cash from individuals. All checks are received through mail. This is not applicable.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

- a. Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Findings: Rapides Parish Assessor does not collect cash from individuals. All checks are received through mail. This is not applicable.

- b. Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Findings: Rapides Parish Assessor does not collect cash from individuals. All checks are received through mail. This is not applicable.

- c. Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- i. Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day.

Findings: Rapides Parish Assessor does not collect cash from individuals. All checks are received through mail. This is not applicable.

- ii. Using sequentially numbered cash receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions

Findings: Rapides Parish Assessor does not collect cash from individuals. All checks are received through mail. This is not applicable.

7. Obtain existing written documentation (e.g. policy manual written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued) by a person who is not responsible for collections.

Findings: Rapides Parish Assessor does not collect cash from individuals. All checks are received through mail. This is not applicable.

Disbursements – General

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Findings: Rapides Parish Assessor provided a list of all disbursements and represented the listing was complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements, excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Findings: Rapides Parish Assessor does not use a requisition/purchase order system. This is not applicable.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Findings: Policies were enacted during the year requiring invoice approval. As of May 2017, all invoices were approved by a person who did not initiate the purchase.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Findings: Not applicable. Rapides Parish Assessor does not utilize purchase orders.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Findings: Rapides Parish Assessor's written procedure regarding the addition of new vendors states that the Office Manager maintains the vendor files. Vendors are added as invoices for purchases are received.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Findings: Rapides Parish Assessor's written procedure regarding persons with signatory authority and their responsibility for initiating purchases states that the Office Manager gives the unsigned check with the invoice attached to the Chief Deputy Assessor for signature. The Assessor acts as a second signature for any checks over \$2,500.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Findings: All blank checks are stored in a locked cabinet in the Office Manager's office. She monitors the number sequence with the check stubs of checks she has printed to verify that no check has gone missing. The Office Manager and Chief Deputy Assessor have keys to the locked cabinet.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Findings: Not applicable. Rapides Parish Assessor does not use a signature stamp.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management’s representation that the listing is complete.

Findings: Rapides Parish Assessor has three credit cards.

WEX Gas Card	Card #7090
Regions Bank	Card #0456
Regions Bank	Card #9692

Richard I. “Rick” Ducote, Jr. is authorized to use all cards. Caroline Simons is authorized to use card #9692.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

Obtain the monthly statements, or combined statements, if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card and:

- a. Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.[Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

Findings: Monthly statements for the tested card were approved for payment by someone other than the authorized card holder.

- b. Report whether finance charges and/or late fees were assessed on the selected statements.

Findings: There were no finance charges or late fees to document and report.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the five cards selected (i.e. each of the five cards should have one month of transactions subject to testing).

- a. For each transaction, report whether the transaction is supported by
- i. An original itemized receipt (i.e., identifies precisely what was purchased)

- ii. Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- iii. Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Findings: Of the 5 items tested, every item contained an original itemized receipt. Two of the items included a documented business purpose.

- b. For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchase/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

Findings: There were no purchases large enough to qualify for the Louisiana Public Bid Law.

- c. For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Findings: There were no exceptions to report.

Travel and Expense Reimbursement

- 17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Findings: The Rapides Parish Assessor provided the general ledger which contained all travel reimbursements and represented that the listing was complete.

- 18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed the GSA rates.

Findings: The Rapides Parish Assessor's written policies set per diem rates at the rate set by the Louisiana Supreme Court. The Louisiana Supreme Court refers to the IRS federal mileage rate. The GSA and IRS both set mileage rates at 53.5 cents per mile. The

Rapides Parish Assessor's travel and expense reimbursement policies are in agreement with the GSA. The per diem allowed by GSA for travel to East Baton Rouge during time of travel was \$59 per day. Rapides Parish Assessor paid employees \$30 per day.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
 - a. Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the PPM 49 rates (#18 above) and report each reimbursement that exceeded those rates.

Findings: The mileage reimbursement for Christine Pappas, Insley Smith, and Carmen Herring's trips to East Baton Rouge does not exceed the rates established by GSA. The GSA sets per diem rates at \$59 per day for February 2017. The Rapides Parish Assessor reimbursed Christine, Insley, and Carmen \$30 per day for travel allowance. This does not appear to be an amount in excess of the GSA rates.

- b. Report whether each expense is supported by:
 - i. An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

Findings: All three expenses were reimbursed based on an established per diem amount and are not required to have a receipt.

- ii. Documentation of business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating)

Findings: These three expenses are supported by documentation that the public purpose of this conference was to attend seminars designed to increase their knowledge and proficiency.

- iii. Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

Findings: All three expenses were reimbursed based on an established per diem amount and are not required to have a receipt.

- c. Compare the entity's documentation of business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Findings: The Rapides Parish Assessor's documentation of the business/public purpose of these travel expenses are in compliance with the requirements of Article 7, Section 14 of the Louisiana Constitution.

- d. Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: There was no written documentation that someone other than the person receiving the reimbursement reviewed and approved the disbursement; however, an authorized signer of the check, other than the recipient, signed and approved the check.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Findings: A listing was received and represented as complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Findings: Rapides Parish Assessor maintained information on service arrangements and amounts paid. Written contracts were held that support the three service arrangements.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - i. If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

- ii. If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Findings: Contracts were not subject to LA Public Bid Law or Procurement Code. Quotes were not solicited. Rapides Parish Assessor has held contracts with these vendors more multiple years which are renewed when expired.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Findings: This is not applicable.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

Findings: Invoices and related payments complied with terms and conditions of contracts.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Findings: This is not applicable.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Findings: Employee compensation amounts were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Findings: Employee information concerning pay rates or salary changes are kept on record at the Rapides Parish Assessor's Office. Changes to the salaries were approved and in accordance with written policy.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Findings: Daily attendance was not documented. Rapides Parish Assessor maintained written leave records.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Findings: Rapides Parish Assessor began receiving approval by a supervisor for all leave once written policies were enacted.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Findings: Vacation time used, vacation time earned, and remaining were recorded.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Findings: Rapides Parish Assessor did not have any terminated employees during the fiscal period.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Findings: The employee and employer portions of payroll taxes and retirement contributions, including the required reporting forms, were submitted to the applicable agencies by the required deadlines without any exceptions to report.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Findings: All employees tested received certificates of completion to demonstrate that required ethics training was completed.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Findings: No findings to report.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Findings: Not applicable. Rapides Parish Assessor did not issue any debt during the period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Findings: This is not applicable as Rapides Parish Assessor did not have any outstanding debt during the fiscal period.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Findings: This is not applicable as Rapides Parish Assessor did not have any tax millages relating to debt service.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Findings: Not applicable. Rapides Parish Assessor did not report misappropriation of public assets during the period.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings: Rapides Parish Assessor posted the notice required by R.S. 24:523.1.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Findings: No exceptions were noted.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUP's. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Oestriecher & Company

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

June 19, 2018