CADDO PARISH TAX ASSESSOR

SHREVEPORT, LOUISIANA

DECEMBER 31, 2018

CADDO PARISH TAX ASSESSOR

SHREVEPORT, LOUISIANA

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MANAGEMENT'S DISCUSSION AND ANALYSIS

CADDO PARISH TAX ASSESSOR

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section presents readers of the financial statements of the Caddo Parish Tax Assessor's Office with a narrative overview and analysis of its financial activities for the fiscal year ended December 31, 2018. It is intended to serve as an introduction to the basic financial statements of the Caddo Parish Tax Assessor, which statements consist of government-wide financial statements, fund financial statements, notes thereto, and other financial information.

Financial Highlights

The financial statements of the Assessor present the financial transactions of the Assessor's office. The Assessor assesses all real and movable property in the parish subject to ad valorem taxation. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission, as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

Total assets and deferred outflows increased by $1,476,095 or 21.91%. This is due to the implementation of GASB 75 in the current year which resulted in an increase in deferred outflows. Total liabilities and deferred inflows decreased by $7,760,420. This was due to changes in the net pension liability, deferred inflows of resources and in the OPEB obligation for 2018.

Revenues for the current year exceeded prior year's revenues by $74,692, which is due to an increase in assessment revenue and interest earned on certificates of deposit. Expenditures decreased by $238,688 from the prior year. This is due mainly to changes in the net pension liability.

Capital assets had an increase of $38,460, which is additional assets purchased during the year, and decreases in the amount of $35,816. This was due to fixed assets with a book value of $-0- being transferred to the Caddo Parish Commission for auction and depreciation expense of $36,032.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on Pages 8 and 9) provide information about the activities of the Assessor as a whole. Fund financial statements start on Page 10. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Assessor's operations in more detail than the government-wide statements by providing information about the Assessor's most significant funds. The Assessor is a component unit of the Parish of Caddo, Louisiana. The accompanying financial statements present information only on the funds maintained by the Assessor.

Reporting the Funds Maintained by the Assessor as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the funds maintained by the Assessor as a whole begins on Page 8. The Statement of Net Position and the Statement of Activities report information about the funds maintained by the Assessor as a whole and about its activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Assessor's *net position* and changes in it. The Assessor's net position – the

difference between assets and deferred outflows and liabilities and deferred inflows – is one way to measure the Assessor's financial health, or *financial position*. Over time, *increases or decreases* in the Assessor's net position is one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we record the funds maintained by the Assessor as governmental activities.

THE FUNDS MAINTAINED BY THE ASSESSOR AS A WHOLE

A comparative analysis of the funds maintained by the Assessor is presented below.

Table 1
Net Position

	Government-Wide Activities 2018	Government-Wide Activities 2017
Cash and cash equivalents	1,575,748	2,036,748
Investments	5,064,026	3,955,468
Accrued interest receivable	328	328
Accounts receivable	32,648	48,725
Captial assets, net of accumulated depreciation	85,060	82,632
Deferred outflow of resources	1,456,153	613,967
Total assets and deferred outflows of resources	8,213,963	6,737,868
Total liabilities	12,521,236	6,949,617
Deferred inflows of resources	2,836,155	647,354
Total liabilities and deferred inflows of resources	15,357,391	7,596,971
Net position:		
Invested in capital assets, net of related debt	85,060	82,632
Unrestricted (deficit)	(7,228,488)	(941,735)
Total net position (deficit)	(7,143,428)	(859,103)

Net position of the funds maintained by the Assessor decreased by $6,284,325 or 731.50%.

Table 2
Change in Net Position

	Government-Wide Activities 2018	Government-Wide Activities 2017
Revenues		
Caddo Assessment District	4,064,385	3,998,490
State revenue sharing	94,707	102,288
Other	730,273	713,895
Total revenues	4,889,365	4,814,673
Expenses		
General governmental	4,233,663	4,472,351
Increase in net position	655,702	342,322
Beginning net position (deficit)	(859,103)	(1,201,425)
Net position adjustment due to GASB 75	(6,940,027)	-
Restated net position (deficit)	(7,799,130)	(1,201,425)
Ending net position (deficit)	(7,143,428)	(859,103)

For the funds maintained by the Assessor, total revenues increased $74,692 in 2018, from total revenues in 2017 of $4,814,673. The increase was the result of an increase in interest income received on certificates of deposit, as well as additional assessment revenue.

CAPITAL ASSETS

During 2004, the Assessor adopted the provisions of Governmental Accounting Standards Board Statement No. 34 as pertaining to capital assets and depreciation. This resulted in a change in the format and content of the basic financial statements. At the end of 2018, the Assessor had invested $1,176,281 in capital assets with a net book value of $85,060. At the end of 2017, the Assessor had invested $1,173,637 in capital assets with a net book value of $82,632.

Table 3
Capital Assets At Year End

	Government-Wide Activities 2018	Government-Wide Activities 2017
Furniture, office equipment and GIS equipment	260,530	252,065
Computer Equipment	915,751	921,572
	1,176,281	1,173,637
Less - accumulated depreciation	(1,091,221)	(1,091,005)
Capital assets, net	85,060	82,632
Major additions included:		
Computer equipment	28,078	27,131
Furniture, office equipment and GIS equipment	10,382	9,072
Total	38,460	36,203

Current Financial Factors

In the current year, the Assessor implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. To implement this change, the beginning net position was restated.

Expectations for Future Operations

The Assessor expects that the financial status will continue to be favorable in the future.

The Assessor will continue to replace computer equipment as necessary.

Requests for Information

This financial report is designed to provide a general overview of the Caddo Parish Tax Assessor's finances for all those with an interest in the Assessor's financial operations. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Caddo Parish Tax Assessor, 501 Texas Street, Room 102, Shreveport, Louisiana, 71101.

AUDITED FINANCIAL STATEMENTS

HEARD, MCELROY, & VESTAL
LLC
CERTIFIED PUBLIC ACCOUNTANTS
333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

June 20, 2019

Mr. Charles R. Henington, Jr.
Caddo Parish Tax Assessor
Shreveport, Louisiana

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Caddo Parish Tax Assessor as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Caddo Parish Tax 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 opinions 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.

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 each major fund of the Caddo Parish Tax Assessor as of December 31, 2018, and the respective changes in financial position 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 on Pages 1 through 4, and the schedules on Pages 29 through 34 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 Unites 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 on the financial statements that collectively comprise the Caddo Parish Tax Assessor's basic financial statements. The accompanying other financial information consisting of the schedule of compensation, reimbursements, benefits and other payments to agency head on Page 35 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, reimbursements, benefits, and other payments to agency head on Page 35 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 of compensation, reimbursements, benefits, and other payments to agency head on Page 35 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 20, 2019 on our consideration of the Caddo Parish Tax 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 solely 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 effectiveness of 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 Caddo Parish Tax Assessor's internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

CADDO PARISH TAX ASSESSOR

STATEMENT OF NET POSITION

DECEMBER 31, 2018

ASSETS	Governmental Activities
Cash and cash equivalents	1,575,748
Investments, at cost	5,064,026
Accrued interest receivable	328
Accounts receivable	32,648
Furniture, office equipment and GIS equipment, net of accumulated depreciation	23,298
Computer equipment, net of accumualted depreciation	61,762
Total assets	6,757,810
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - OPEB	313,017
Deferred outflows of resources - pension	1,143,136
Total deferred outflows of resources	1,456,153
Total assets and deferred outflows of resources	8,213,963
LIABILITIES	
Accounts payable and accrued expenses	(36)
Long-term liabilities-net OPEB obligation	11,719,538
Long-term liabilities-net pension liability	801,734
Total liabilities	12,521,236
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - OPEB	1,966,323
Deferred inflows of resources - pension	869,832
Total deferred inflows of resources	2,836,155
Total liabilities and deferred inflows of resources	15,357,391
NET POSITION	
Investment in capital assets, net of related debt	85,060
Unrestricted (deficit)	(7,228,488)
Total net position (deficit)	(7,143,428)
Total liabilities, deferred inflows of resources and net position	8,213,963

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

CADDO PARISH TAX ASSESSOR

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2018

	Governmental Activities
Expenses:	
Insurance	842,752
General office expense	116,896
Professional fees	154,467
Equipment maintenance	126,735
Postage	33,315
Education and travel	50,056
Automobile	64,474
Office forms	14,222
Office supplies	21,773
Salaries and benefits	2,092,237
Retirement fund expense, net of pension liability adjustments	449,471
Depreciation	36,032
OPEB obligation	231,233
Total expenses	4,233,663
Program revenue:	
Charges for services	98,524
Net (expense)	(4,135,139)
General revenue:	
Caddo Assessment District	4,064,385
State revenue sharing	94,707
Interest income	74,706
Miscellaneous income	25
Non-employer pension contributions	557,018
	4,790,841
Change in net position	655,702
Net position (deficit)-beginning of year	(859,103)
Prior period adjustment	(6,940,027)
Net position (deficit)-end of year	(7,143,428)

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

CADDO PARISH TAX ASSESSOR

BALANCE SHEET-ALL FUNDS

DECEMBER 31, 2018

ASSETS	Governmental Fund Type Salary and Expense Fund
Cash and cash equivalents	1,575,748
Investments, at cost	5,064,026
Accrued interest receivable	328
Accounts receivable	32,648
Total assets	6,672,750
LIABILITIES AND FUND EQUITY	
Liabilities:	
Accounts payable and accrued expenses	(36)
Total liabilities	(36)
Fund balance - unassigned	6,672,786
Total liabilites and fund equity	6,672,750

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

CADDO PARISH TAX ASSESSOR

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE

GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET POSITION

DECEMBER 31, 2018

Total fund balance for the governmental fund	6,672,786
Cost of capital assets, less accumulated depreciation	85,060
Retirement payments are reported as expenditures in the governmental funds. In the government-wide statements the payments represent net deferred inflow of resources	(1,380,002)
Long-term liabilites-net OPEB obligation	(11,719,538)
Long-term liabilities-net Pension obligation	(801,734)
Total net position (deficit) of governmental activities	(7,143,428)

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

CADDO PARISH TAX ASSESSOR

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-

GOVERNMENTAL FUND TYPE FOR THE YEAR ENDED DECEMBER 31, 2018

	Governmental Fund Type Salary and Expense Fund
Revenues:	
Caddo Assessment District	4,064,385
State revenue sharing	94,707
Charges for services	98,524
Interest income	74,706
Miscellaneous	25
Total revenues	4,332,347
Expenditures:	
Insurance	842,752
General office expense	116,896
Professional fees	154,467
Equipment maintenance and purchases	165,195
Postage	33,315
Education and travel	50,056
Automobile	64,474
Office forms	14,222
Office supplies	21,773
Salaries- assessor	169,417
Salaries- deputies	1,817,839
Salaires- other	104,981
Retirement fund expense	145,426
Total expenditures	3,700,813
Excess of revenue over expenitures	631,534
Beginning fund balance	6,041,252
Ending fund balance	6,672,786

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

CADDO PARISH TAX ASSESSOR

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITUES,

AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO THE

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2018

Net change in fund balance- governmental fund	631,534
OPEB obligation expense	(231,233)
Retirement expenditures paid	(304,045)
Non-employer pension retirement contributions	557,018
Equipment purchases	38,460
Depreciation expense	(36,032)
Change in net position of governmental activities	655,702

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

CADDO PARISH TAX ASSESSOR

STATEMENT OF FIDUCIARY NET ASSETS

DECEMBER 31, 2018

ASSETS	
Investment in deferred compensation - Note 10	997,341
NET ASSETS	
Net assets	997,341

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

CADDO PARISH TAX ASSESSOR

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2018

Balance beginning of year		1,073,719
Increases:		
Contributions	39,894	
		39,894
Decreases:		
Withdrawals	110,402	
Losses on investments	1,747	
Administrative fees	4,123	
		116,272
Balance end of year		997,341

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

CADDO PARISH TAX ASSESSOR

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

Introduction

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the Assessor is elected by the voters of the parish and serves a four-year term. The Assessor assesses all real and movable property in the parish subject to ad valorem taxation. The Assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and provide assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the Assessor is officially and pecuniarily responsible for the actions of the deputies. The Assessor is a component unit of the Caddo Parish Commission, as it meets all applicable criteria established by GASB standards.

The Assessor's office is located in the Caddo Parish Courthouse in Shreveport, Louisiana. The Assessor employs 65 employees, including 42 deputies. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission, as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

At December 31, 2018, there were 136,638 real property and movable property assessments totaling $1,614,107,627 and $499,965,200, respectively. This represents an increase of 229 assessments with an increase totaling $20,678,039 in value over the prior year. The increase in the number of assessments is due to more parcels on the exempt and adjudicated roll. The increase in value is due to an increase in the value of public service property and equipment.

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements of the Caddo Parish Tax Assessor have been prepared in conformity with governmental accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999, and GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued in February 2009.

The financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Assessor's overall financial position and results of operations.
- Government-Wide Financial Statements
- Fund Financial Statements

1. Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements (GWFS) (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents information on all of the Assessor's assets and liabilities as well as the deferred outflows and inflows of resources, with the difference between the two 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 Assessor is improving or deteriorating.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Depreciation expense is identified by function and is included in the direct expense of each function. Program revenues include 1) fees, fines, and charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements (FFS) are provided for governmental funds. Major individual governmental funds are reported as separate columns in the FFS.

Fund Accounting

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

Governmental Funds

Governmental funds account for all or most of the Assessor's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Assessor.

The Salary and Expense Fund, as provided by Louisiana Revised Statute 47:1906, is the principal fund of the Assessor and accounts for the operation of the Assessor's office. Compensation received from the various taxing bodies prescribed by formula in Louisiana Revised Statutes 47:1907-08 is accounted for in this fund. General operating expenditures are paid from this fund.

Fiduciary Funds

Fiduciary funds account for resources that do not belong to the Assessor, but rather are subject to the claims of others.

1. Summary of Significant Accounting Policies (Continued)

The Pension Trust Fund, which is a fiduciary fund type, accounts for assets held which are for employees who defer a portion of their compensation. Fiduciary funds are custodial funds (assets equal liabilities and net assets); therefore, they do not involve measurement of operations. There are two deferred compensation plans available to the employees. One is administered by the National Association of Counties, and the other is administered by Security Benefit Group of Companies. All assets of the plan are reported at fair market value. Plan assets remain the property of the Assessor until paid or made available to participants.

Basis of Accounting

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

Revenues

Revenues are recognized when they become measurable and available as net current assets. The period of time used to define when resources become available is one year.

Expenditures

Expenditures are recognized when the related fund liability is incurred.

Equity Classifications

In the current year, the Assessor implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. To implement this change, the beginning net position was restated.

Budgets and Budgetary Accounting

The Caddo Parish Tax Assessor follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Caddo Parish Tax Assessor prepares a proposed budget and holds a public hearing no later than fifteen days prior to the beginning of each fiscal year.

2. The budget is adopted at the public hearing.

3. All budgetary appropriations lapse at the end of each fiscal year.

Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Assessor may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

1. Summary of Significant Accounting Policies (Continued)

Under state law, the Assessor may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost, except for investments in the deferred compensation fiduciary fund, which are reported at market.

Capital Assets

The Assessor has adopted the provisions of Governmental Accounting Standards Board Statement No. 34 as pertaining to capital assets and depreciation.

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Assessor maintains a threshold level of $300 or more for capitalizing capital assets.

The purchase or acquisition of capital assets is recorded in the Statement of Net Position and Statement of Revenues, Expenditures, and Changes in Fund Balance. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives.

Description	Estimated Lives
Furniture and fixtures	7 - 10 years
Computer and office equipment	5 - 7 years

Vacation and Sick Leave

The Assessor has a written formal policy relating to vacation and sick leave, based on length of service. The policy does not provide for the accumulation of vacation leave. The policy provides for accumulation of sick leave that may be used for major illnesses. It does not provide for compensation for this sick leave upon termination.

Risk Management

The Assessor is subject to normal business and liability risk, including risk of loss of assets. These risks are managed through the purchase of insurance policies.

2. Levied Taxes

The Caddo Assessment District levies a tax on the assessed valuation of all taxable property appearing on the previous year's tax roll. The millage to be assessed is determined and certified by the legislative auditor by dividing the net tax roll as of January 1 of the year of implementation into the salary and expense account and salary and personal expense allowance of the Assessor for the current year. The millage adopted remains in effect in subsequent years unless changed as provided by law.

However, the total amount of ad valorem taxes received by the district is never less than that received by the district in the initial year. Taxes are due December 31.

Of the total taxes assessed by the Caddo Assessment District, $4,026,625 were due to the Assessor for the year ended December 31, 2018. The taxes remitted to the Assessor in 2018 were primarily for the 2017 assessment year. For 2018, total taxes of $4,064,385 were collected, of which $3,891,024 relates

2. Levied Taxes (Continued)

to assessed taxes for the 2017 assessment year, $173,361 relates to taxes assessed for other periods, and $17,414 were refunded to taxpayers. Approximately 97% of the taxes assessed were collected for 2017 and the Assessor believes that the remaining 3%, $135,601, will never be collected mainly as a result of bankruptcies and protested taxes.

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage
Caddo Assessment District	2.34	2.34

The following are the principal taxpayers for the parish:

Taxpayer	Type of Business	2018 Assessed Valuation	Percentage of Total Assessed Valuation
SWEPCO/AEP	Utility	109,674,890	6.24%
Chesapeake Operating, Inc.	Natural Gas	28,921,250	1.64%
Calumet Shreveport	Refinery	20,979,040	1.19%
Union Pacific Railroad Co.	Railroad	13,830,890	0.79%
Bell South	Utility	11,984,690	0.68%
Kansas City Railroad	Railroad	11,223,890	0.64%
Walmart	Retail	11,157,220	0.63%
BHP Billiton Petro (TXLA Operating) Co.	Natural Gas	11,152,180	0.63%
Centerpoint Energy Arkla	Utility	10,939,060	0.62%
Aethon Energy Operating LLC	Natural Gas	10,680,570	0.61%
		240,543,680	13.67%

3. Cash and Cash Equivalents

At December 31, 2018, the Assessor has cash and cash equivalents as follows:

	Salary and Expense Fund
Commercial interest checking accounts	1,575,748
Total cash and cash equivalents	1,575,748

These deposits are stated at cost, which approximates market. Under state law, these deposits 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 or exceed the amount on deposit with the fiscal agent. These accounts were held at one institution and secured by $250,000 in federal deposit insurance. In addition, the market value of securities pledged on these accounts was $2,038,309 as of December 31, 2018.

4. Investments

The investments of all funds consisted of certificates of deposit and the LAMP Fund. A schedule of investments is presented below:

	Rate of Interest	Salary and Expense Fund
Home Federal Savings & Loan	1.50%	402,125
Home Federal Savings & Loan	1.50%	402,125
Home Federal Savings & Loan	1.50%	402,125
Home Federal Savings & Loan	1.50%	402,125
Home Federal Savings & Loan	1.50%	402,125
Home Federal Savings & Loan	1.50%	402,125
Home Federal Savings & Loan	1.50%	402,125
Home Federal Savings & Loan	1.50%	402,124
Red River Bank	0.35%	250,000
Red River Bank	0.35%	250,000
Red River Bank	0.35%	250,000
Red River Bank	0.35%	250,000
LAMP Investments		847,027
		5,064,026

The investments are in the name of the Assessor and are held at the financial institutions. The certificates of deposit are either fully insured or collateralized by securities held in the Assessor's name. The market value of securities and one letter of credit pledged on these accounts was $5,580,040 as of December 31, 2018.

The Louisiana Asset Management Pool, Inc. (LAMP) issues separate audited financial statements that can be obtained by accessing their website at www.lamppool.com or by calling (504) 525-5267.

In accordance with GASB Codification Section I50.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section I50.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA – R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's

4. Investments (Continued)

Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. LAMP is rated AAAm by Standard & Poor's.

5. Changes in Capital Assets

A summary of changes in capital assets and accumulated depreciation for the year ended December 31, 2018 is as follows:

	Furniture, Office Equipment and GIS Equipment	Computer Equipment	Total
Balance January 1, 2018	252,065	921,572	1,173,637
Additions	10,382	28,078	38,460
Deletions	(1,917)	(33,899)	(35,816)
Balance December 31, 2018	260,530	915,751	1,176,281
Less - accumulated depreciation	(237,232)	(853,989)	(1,091,221)
Capital assets, net	23,298	61,762	85,060

6. Pension Plan

Substantially all employees of the Caddo Parish Tax Assessor's office are members of the Louisiana Assessors Retirement Fund, a cost-sharing multiple-employer defined benefit pension plan that is controlled and administered by a separate board of trustees.

All full time employees are required to participate in the Fund. Employees hired before October 1, 2013, can retire at age 55 with 12 years of experience or 30 years of credited service and are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary.

For employees who were employed prior to October 1, 2006, final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. For employees hired on or after October 1, 2006, the final salary is the employee's average over 60 consecutive or joined months that produces the highest average.

6. Pension Plan (Continued)

For employees who were hired on or after October 1, 2013 the benefit is equal to 3 percent of their final average salary over the 60 consecutive or joined months that produce the highest average.

These employees may receive a retirement benefit of 3 1/3 percent if they retire with 30 years of service or more; otherwise it is 3 percent. These employees must be 55 years old with 30 years or more of service or 60 years old with 12 years of service.

Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 or age 60 depending on when hired and receive the benefit accrued to their date of termination. The Fund also provides death and disability benefits. Benefits are established by state statute.

All retirement benefits may be reduced by taking any one of the retirement options that are provided for, such as joint benefit for surviving spouse or back drop options.

The Fund issues an annual publicly available financial report that includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Louisiana Assessors' Retirement Fund, P. O. Box 14699, Baton Rouge, Louisiana 70898-4699, or on the Louisiana Legislative Auditor's website, www.lla.la.gov.

Contributions to the Fund include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish including the homestead exemption plus revenue sharing funds appropriated by the legislature. State statute requires plan members to contribute 8% of their annual covered salaries to the Fund. As provided by Louisiana Revised Statute 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. For 2018, the rate was 8%. For 2017, the rate was 8%. The Caddo Parish Tax Assessor's contributions to the Fund for the years ending December 31, 2018 and 2017 were $289,212 and $328,526, respectively, equal to the required contributions for each year for both the employer and employee portion. The employee portion for the years ending December 31, 2018 and 2017 was $143,786 and $146,883, respectively. For 2018, the Assessor contributed the employee portion on behalf of the employees.

Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future. Key information on the actuarial valuation and assumptions is as follows:

Valuation Date	September 30, 2018
Actuarial Cost Method	Entry age normal.
Investment Rate of Return (discount rate)	6.25%, net of pension plan investment expense, including inflation.
Inflation Rate	2.20%
Salary Increases	5.75%
Annuitant and beneficiary mortality	RP 2000 Healthy Annuitant Table set forward one year and projected to 2030 for males and females.

6. Pension Plan (Continued)

Active members mortality	RP 2000 Employee Table set back four years for males and three years for females.
Disabled Lives Mortality	RP-2000 Disabled Lives Mortality Tables set back five years for males and three years for females.

The long-term expected rate of return selected for this report by the Fund was 6.25%. 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 6.25%.

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 2018 is 6 years.

The following presents the net pension liability of the Fund calculated using the discount rate of 6.25%, 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 (5.25%) or one percentage point higher (7.25%) than the current rate (assuming all other assumptions remain unchanged):

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Assessor's proportionate share of the net pension liability	65,386,240	19,440,373	(19,922,053)

Actuarial date and measurement date: September 30, 2018

6. Pension Plan (Continued)

Projected required contribution	145,426
Employer allocation percentage	4.124069%
Net pension liability	801,734
Deferred Outflows	
Differences between expected and actual experience	60,494
Changes in assumptions	1,028,800
Changes in proportion	17,423
Employer contributions subsequent to measurement date	36,419
Total Deferred Outflows	1,143,136
Deferred Inflows	
Differences between expected and actual experience	367,064
Net Differences between projected and actual earnings	408,194
Changes in proportion	94,574
Total Deferred Inflows	869,832
Pension Expense	
Proportionate share of plan pension expense	493,379
Net amortization of deferred amounts from changes in proportion	(40,972)
Total Employer Pension Expense	452,407
Proportionate Share	
Employer contributions	145,426
Non-employer contributions	557,018
Schedule of Net Pension Liability Sensitivity to Change in Discount Rate	
Employer's proportionate share	
1% Decrease	2,696,574
1% Increase	(821,599)
Amortization Schedule	
2019	146,020
2020	(86,001)
2021	(26,485)
2022	109,070
2023	94,281
Total	236,885

7. Other Postemployment Benefits

Plan Description. The Caddo 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 Caddo Parish Tax Assessor.

7. Other Postemployment Benefits (Continued)

Effective with the year ended December 31, 2018, the Caddo Parish Tax Assessor implemented Government Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). In accordance with GASB 75, the beginning OPEB liability was restated to reflect the full obligation of the Assessor.

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 thirty-three. For the year ended December 31, 2018, the Assessor contributed $307,876 to the plan.

Total OPEB Liability. The Assessor's total OPEB liability of $11,719,538 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.3%
Salary increases	3.0%, including inflation
Discount rate	3.44% annually (Beginning of Year to Determine ADC)
	4.10%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 4.0% annually

The discount rate was based on the average of the Bond Buyer General Obligation 20-Bond Municipal index as of December 31, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2014 Table, projected generationally using scale MP-2018.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2018.

Changes in the Total OPEB Liability

Balance at December 31, 2017	13,141,611
Changes for the year:	
Service cost	467,233
Interest	462,637
Effect of economic/demographic gains or losses	384,157
Changes in assumptions	(2,413,214)
Benefit payments and net transfers	(322,886)
Net changes	(1,422,073)
Balance at December 31, 2018	11,719,538

7. Other Postemployment Benefits (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Assessor, as well as what the Assessor's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current discount rate:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB liability	13,718,613	11,719,538	10,131,759

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.0%) or 1-percentage-point higher (5.0%) than the current healthcare trend rates:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB liability	10,216,942	11,719,538	13,653,249

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Assessor recognized OPEB expense of $231,233. At December 31, 2018, the Assessor reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and acutal experience	313,017	-
Changes in assumptions	-	(1,966,323)
Total	313,017	(1,966,323)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	
2019	375,751
2020	375,751
2021	375,751
2022	375,751
2023	150,302
Thereafter	-

8. Leases

The Caddo Parish Tax Assessor has four operating lease agreements for automobiles and office equipment. The leases range in terms from 36 to 60 months. During 2018, total payments under these leases were $26,400.

The following is a schedule of future minimum rental payments required under the operating leases as of December 31, 2018:

2019	21,507
2020	17,538
2021	3,204
2022	3,204
2023	801
	46,254

9. Litigation

At the balance sheet date, there was pending litigation against the Assessor which involved suits seeking either refunds of taxes for prior years or reassessment of property values. As the Tax Assessor only assesses property and does not collect taxes, there should be no monetary loss to the Assessor because of this litigation.

10. Deferred Compensation

The Tax Assessor offers employees a deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code of 1986. The assets of the plan are held in trust as described in IRC Section 457(g) for the exclusive benefit of the participants and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. In accordance with provisions of GASB Statement No. 32, plan balances and activities are reflected in separate statements of fiduciary net assets and changes in fiduciary net assets in the Tax Assessor's financial statements.

11. Prior Period Adjustment

The Assessor adopted Governmental Accounting Standards Board (GASB) Statement Number 75 - *Accounting for Financial Reporting for Postemployment Benefits Other Than Pensions.* This Statement replaces the requirements of *Statement No. 45*, as amended, and *Statement Number 57.* The net effect of the entity-wide Statement of Net Position for the prior year that resulted from the adoption of GASB 75 is $(6,940,027). The Assessor reported a prior period adjustment in fiscal year ended December 31, 2018.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

CADDO PARISH TAX ASSESSOR

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

	Government Fund Type Salary and Expense Fund		Variance Favorable
	Actual	Budget	(Unfavorable)
Revenues:			
Caddo Assessment District	4,064,385	4,026,625	37,760
State revenue sharing	94,707	94,000	707
Interest income	74,706	29,000	45,706
Other revenues	98,549	110,000	(11,451)
Total Revenues	4,332,347	4,259,625	72,722
Prior year surplus	6,041,252	6,041,252	-
Expenditures:			
Insurance	842,752	936,850	94,098
General office expense	116,896	225,199	108,303
Professional fees	154,467	217,000	62,533
Equipment maintenance and purchases	165,195	340,530	175,335
Mapping	-	600	600
Postage	33,315	46,450	13,135
Education and travel	50,056	66,200	16,144
Automobile	64,474	95,900	31,426
Office forms	14,222	30,067	15,845
Office supplies	21,773	64,552	42,779
Salaries	2,092,237	2,500,000	407,763
Retirement fund expense	145,426	340,000	194,574
Total expenditures	3,700,813	4,863,348	1,162,535
Fund balance:			
December 31, 2018	6,672,786	5,437,529	1,235,257

CADDO PARISH TAX ASSESSOR

NOTES TO BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

1. Budget
Refer to Note 1 of the financial statements for details regarding the budget process. The budget presented on Page 29 is the original budget with no amendments to the budget during the year.

CADDO PARISH TAX ASSESSOR

SCHEDULE OF PROPORTIONAL SHARE OF THE NET PENSION

LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

	2018	2017	2016	2015
Assessor's proportion of the net pension liability	4.124069%	4.262904%	4.140160%	4.393390%
Assessor's proportionate share of the net pension liability	801,734	748,016	1,460,936	2,299,161
Nonemployer's proportionate share of net pension liability	-	-	-	-
Total	801,734	748,016	1,460,936	2,299,161
Assessor's covered employee payroll	1,791,896	1,861,608	1,799,814	1,827,804
Assessor's proprotionate share of the net pension liability as a percentage of its covered employee payroll	44.74%	40.18%	81.17%	125.79%
Plan fiduciary net position as a percentage of the the total pension liability	95.46%	95.61%	90.68%	85.57%

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

CADDO PARISH TAX ASSESSOR

SCHEDULE OF REQUIRED CONTRIBUTIONS

FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

	2018	2017	2016	2015
Contractually required contribution	145,426	192,279	227,317	246,754
Contributoins in relation to the contractually required contribution	145,426	192,279	227,317	246,754
Contribution deficiency (excess)	-	-	-	-
Assessor's covered-employee payroll	1,791,896	1,861,608	1,799,814	1,827,804
Contributions as a percentage of covered-employee payroll	8.12%	10.33% *	10.00% *	13.50%

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

*Contribution rate was 13.50% until October 2016, at which point it decreased to 10.00%. The contribution rate decreased again to 8.00% effective October 2017.

CADDO PARISH TAX ASSESSOR

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED DECEMBER 31, 2018

Total OPEB Liability	
Service cost	467,233
Interest	462,637
Effect of economic/demographic gains or (losses)	384,157
Effect of assumption changes or inputs	(2,413,214)
Benefit payments	(322,886)
Net change in total OPEB liability	(1,422,073)
Total OPEB liability - beginning	13,141,611
Total OPEB liability - ending (a)	11,719,538
Covered-employee payroll	1,791,895
Net OPEB liability as a percentage of covered-employee payroll	654.03%

Notes to Schedule:

Benefit Changes. There were no changes of benefit terms for the year ended December 31, 2018.

Changes of Assumptions. The discount rate as of 12/31/2017 was 3.44% and it changed to 4.10% as of 12/31/2018.

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

CADDO PARISH TAX ASSESSOR

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB

FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

Actuarially determined contribution	145,426
Contributions in relation to the actuarially determined contribution	
Employer contributions to trust	145,426
Contribution deficiency (excess)	-
Covered annual payroll	1,791,895
Contributions as a percentage of covered employee payroll	8.12%

Notes to Schedule:

Valuation date 1/1/2018

Actuarially determined contributions are calculated as of the last day of the fiscal year in which contributions are reported.

Actuarial cost method	Individual Entry Age Normal
Amortization method	Level dollar, open
Amortization period	30 years
Asset valuation method	Market value
Inflation	2.3% annually
Healthcare trend	Flat 4.0% annually
Salary increases	3.0% annually
Discount rate	3.44% annually (Beginning of Year to Determine ADC) 4.10% annually (As of End of Year to Measurement Date)
Retirement age	30 years of service at any age; 12 years of service at age 55
Mortality	RP-2014 projected generationally using scale MP-2018
Turnover	Age specific table with an average of 12% when applied to the active census
Decline Rate	0%

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

See accompanying notes to required supplementary information and independent auditors' report.

OTHER FINANCIAL INFORMATION

CADDO PARISH TAX ASSESSOR

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS,

AND OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED DECEMBER 31, 2018

Agency Head: Charles R. Hennington, Jr.

Salary and expense amount	172,515
Benefits - insurance	17,687
Benefits - retirement	30,190
Vehicle provided by government	4,476
Travel	7,845
Registration fees	1,295
Conference travel	4,411
Continuing professional education fees	1,000
	239,419

OTHER REPORTS

HEARD, MCELROY, & VESTAL
LLC
CERTIFIED PUBLIC ACCOUNTANTS
333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

June 20, 2019

Mr. Charles R. Henington, Jr.
Caddo Parish Tax Assessor
Shreveport, Louisiana

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*

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 each major fund of the Caddo Parish Tax Assessor, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Caddo Parish Tax Assessor's basic financial statements, and have issued our report thereon dated June 20, 2019.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Assessor's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Assessor's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Assessor's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of Caddo Parish Tax Assessor are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other 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 *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

CADDO PARISH TAX ASSESSOR

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2018

We have audited the financial statements of Caddo Parish Tax Assessor as of and for the year ended December 31, 2018, and have issued our report thereon dated June 20, 2019. 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. Our audit of the financial statements as of December 31, 2018 resulted in an unmodified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

   Internal Control - No material weakness was noted; no management letter was issued.

   Compliance - No material noncompliance was noted.

b. Federal Awards – Not applicable.

Section II - Financial Statement Findings

No matters were reported.

CADDO PARISH TAX ASSESSOR

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2018

No prior year findings were reported.

HEARD, MCELROY, & VESTAL
LLC
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318-429-1525 PHONE • 318-429-2070 FAX

June 19, 2019

Mr. Charles Henington, Jr.
Caddo Parish Tax Assessor
Caddo Parish Courthouse
501 Texas Street
Shreveport, Louisiana 71101

Louisiana Legislative Auditor
Baton Rouge, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by Caddo Parish Tax Assessor (CPTA) 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, 2018 through December 31, 2018. CPTA'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 American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards,* issued by the Comptroller General of the United States. 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 and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

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

   b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

c) ***Disbursements***, including processing, reviewing, and approving

d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

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, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

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

Findings

No exceptions were identified in the performance of the procedures listed above.

Board or Finance Committee

Not tested, no prior year findings.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings

There was no evidence that the bank reconciliation was prepared within two months, or initials of the preparer.

There was no evidence that a member of management who does not handle cash, post to ledgers, or issue checks reviewed the bank reconciliations.

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Management's Response

Bank reconciliations are prepared and reviewed monthly by Administrative Assistant, Laurie Brummer, who does not handle cash, post ledgers or issue checks. All other banking functions are maintained by AP Clerk, Vicki McConnell. Upon completing bank statements for that month, Mrs. Brummer will initial and date attesting complete. Chief Deputy, Robert Thomas, will also review, initial and date the bank statement.

Collections

Not tested, no prior year findings.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

b) At least two employees are involved in processing and approving payments to vendors.

c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

a) Observe that the disbursement matched the related original invoice/billing statement.

b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Findings

The person responsible for processing payments has access to add/modify vendor files. However, the CFO and Assessor review the bank statements every month for unusual transactions.

The person processing payments also stamps and mails the checks.

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Management's Response

Vendors are added as needed when contact information is received. Potential Vendors or information changes will be reviewed and approved by our purchasing department. New vendors or vendor changes will be processed by our Executive Administrative Assistant. Each month, the CFO, Purchasing Department, and the Assessor will also review vendor additions while meeting and reviewing monthly financials.

After our AP Clerk has processed payments, all checks will be reviewed by the Assessor and given to our Administrative Assistant to stamp and mail. In the event our Assessor is not in the office, our Chief Deputy, Robert Thomas, will review all payments.

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

Not tested, no prior year findings.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

11. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

    a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

    b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

    c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

    d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

    Findings

    No exceptions were identified in the performance of the procedures listed above.

Contracts

Not tested, no prior year findings.

Payroll and Personnel

12. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

13. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

    a) Observe that 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.)

b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

14. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

15. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Findings

No exceptions were identified in the performance of the procedures listed above.

Ethics

Not tested, no prior year findings.

Debt Service

Not tested, no prior year findings.

Other

Not tested, no prior year findings.

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 SAUPs. 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.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana