

CADDO PARISH TAX ASSESSOR

SHREVEPORT, LOUISIANA

DECEMBER 31, 2016

CADDO PARISH TAX ASSESSOR

SHREVEPORT, LOUISIANA

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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, 2016. 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 \$136,359 or 2%. This is due to the Assessor's office having increased revenue for the current year which resulted in an increase in cash. Total liabilities and deferred inflows decreased by \$513,899. This was due to changes in the net pension liability, deferred inflows of resources and in the OPEB obligation for 2016.

Revenues for the current year exceeded prior year's revenues by \$346,819, which is due to an increase in assessment revenue and non-employer pension contributions. Expenditures increased by \$163,902 from the prior year. This is due mainly to changes in the net pension liability.

Capital assets had an increase of \$16,088, which is additional assets purchased during the year, and decreases in the amount of \$47,861. 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 \$47,861.

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 7 and 8) provide information about the activities of the Assessor as a whole. Fund financial statements start on Page 9. 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 7. 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 assets* and changes in it. The Assessor's net assets – the difference between assets and liabilities – 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 <u>2016</u>	Government-Wide Activities <u>2015</u>
Cash and cash equivalents	1,359,092	780,280
Investments	4,196,754	4,188,468
Accrued interest receivable	328	328
Accounts receivable	47,525	43,395
Capital assets, net of accumulated depreciation	87,584	119,357
Deferred outflow of resources	<u>776,098</u>	<u>1,199,199</u>
Total assets and deferred outflows of resources	6,467,381	6,331,027
Total liabilities	7,346,289	8,182,705
Deferred inflows of resources	<u>322,517</u>	<u>-</u>
Total liabilities and deferred inflows of resources	7,668,806	8,182,705
Net position:		
Invested in capital assets, net of related debt	87,584	119,357
Unrestricted (deficit)	<u>(1,289,009)</u>	<u>(1,971,035)</u>
Total net position (deficit)	<u>(1,201,425)</u>	<u>(1,851,678)</u>

Net position of the funds maintained by the Assessor increased by \$650,253 or 35%.

**Table 2
Change in Net Position**

	Government-Wide Activities <u>2016</u>	Government-Wide Activities <u>2015</u>
Revenues		
Caddo Assessment District	4,098,227	3,941,184
State revenue sharing	95,050	103,193
Other	<u>880,952</u>	<u>683,033</u>
Total revenues	5,074,229	4,727,410
Expenses		
General governmental	<u>4,423,976</u>	<u>4,260,074</u>
Increase in net position	650,253	467,336
Beginning net position	(1,851,678)	(645,289)
Net assets adjustment	<u>-</u>	<u>(1,673,725)</u>
Restated net position	<u>(1,851,678)</u>	<u>(2,319,014)</u>
Ending net position	<u>(1,201,425)</u>	<u>(1,851,678)</u>

For the funds maintained by the Assessor, total revenues increased \$346,819 in 2016, from total revenues in 2015 of \$4,727,410. The increase was the result of non-employer pension contributions recorded in conjunction with the implementation of GASB 68, 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 2016, the Assessor had invested \$1,143,779 in capital assets with a net book value of \$87,584. At the end of 2015, the Assessor had invested \$1,132,888 in capital assets with a net book value of \$119,357.

**Table 3
Capital Assets At Year End**

	Government-Wide Activities <u>2016</u>	Government-Wide Activities <u>2015</u>
Furniture, office equipment and GIS equipment	249,338	250,633
Computer equipment	<u>894,441</u>	<u>882,255</u>
	1,143,779	1,132,888
<u>Less-accumulated depreciation</u>	<u>1,056,195</u>	<u>(1,013,531)</u>
Capital assets, net	<u><u>87,584</u></u>	<u><u>119,357</u></u>
 Major additions included:		
Computer equipment	12,186	9,417
Furniture, office equipment and GIS equipment	<u>3,902</u>	<u>3,864</u>
Total	<u><u>16,088</u></u>	<u><u>13,281</u></u>

Current Financial Factors

In the current year, the Assessor implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. To implement this change, the beginning net assets were 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

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May 19, 2017

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, 2016, 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.

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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, 2016, 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 3, and the schedules on Pages 28 through 32 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.

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 33 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 33 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 33 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 May 19, 2017 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 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 Caddo Parish Tax Assessor's internal control over financial reporting and compliance.

Shreveport, Louisiana

Heard, McElroy & Vestal, LLC

CADDO PARISH TAX ASSESSOR

STATEMENT OF NET POSITION

DECEMBER 31, 2016

<u>A S S E T S</u>	<u>Governmental Activities</u>
Cash and cash equivalents	1,359,092
Investments, at cost	4,196,754
Accrued interest receivable	328
Accounts receivable	47,525
Furniture, office equipment and GIS equipment, net of accumulated depreciation	16,222
Computer equipment, net of accumulated depreciation	<u>71,362</u>
Total assets	5,691,283
Deferred outflows of resources	<u>776,098</u>
Total assets and deferred outflows	<u><u>6,467,381</u></u>
 <u>LIABILITIES AND NET POSITION</u>	
<u>Liabilities:</u>	
Accounts payable and accrued expenses	63
Long-term liabilities-net OPEB obligation	5,885,290
Long-term liabilities-net pension liability	<u>1,460,936</u>
Total liabilities	7,346,289
Deferred inflows of resources	322,517
Total liabilities and deferred inflows of resources	7,668,806
<u>Net position:</u>	
Investment in capital assets, net of related debt	87,584
Unrestricted (deficit)	<u>(1,289,009)</u>
Total net position	<u><u>(1,201,425)</u></u>
Total liabilities, deferred inflows of resources and net position	<u><u>6,467,381</u></u>

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

CADDO PARISH TAX ASSESSOR
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Governmental Activities</u>
<u>Expenses:</u>	
Insurance	693,607
General office expense	84,792
Professional fees	186,520
Equipment maintenance	139,812
Postage	81,049
Education and travel	57,136
Automobile	77,165
Office forms	38,633
Office supplies	27,025
Salaries and benefits	2,097,118
Retirement fund expense, net of pension liability adjustments	558,162
Depreciation	47,861
OPEB obligation	<u>335,096</u>
Total expenses	4,423,976
 <u>Program revenue:</u>	
Charges for services	<u>115,814</u>
Net (expense)	(4,308,162)
 <u>General revenue:</u>	
Caddo Assessment District	4,098,227
State revenue sharing	95,050
Interest income	8,588
Miscellaneous income	25
Non-employer pension contributions	<u>756,525</u>
	<u>4,958,415</u>
 <u>Change in net position</u>	 650,253
 <u>Net (deficit)-beginning of year</u>	 <u>(1,851,678)</u>
 <u>Net (deficit)-end of year</u>	 <u>(1,201,425)</u>

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

CADDO PARISH TAX ASSESSOR
BALANCE SHEET-ALL FUND TYPES
DECEMBER 31, 2016

<u>A S S E T S</u>	<u>Governmental Fund Type</u> <u>Salary and Expense Fund</u>
Cash and cash equivalents	1,359,092
Investments, at cost	4,196,754
Accrued interest receivable	328
Accounts receivable	<u>47,525</u>
 Total assets	 <u><u>5,603,699</u></u>
 <u>LIABILITIES AND FUND EQUITY</u>	
<u>Liabilities:</u>	
Accounts payable and accrued expenses	<u>63</u>
Total liabilities	63
 <u>Fund balance-unassigned</u>	 <u>5,603,636</u>
 Total liabilities and fund equity	 <u><u>5,603,699</u></u>

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, 2016

Total fund balance for the governmental fund	5,603,636
Cost of capital assets, less accumulated depreciation	87,584
Retirement payments are reported as expenditures in the governmental funds. In the government-wide statements the payments represent deferred outflows and inflows of resources	453,581
Long-term liabilities-net OPEB obligation	(5,885,290)
Long-term liabilities-net pension obligation	<u>(1,460,936)</u>
Total net position of the governmental activities	<u><u>(1,201,425)</u></u>

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, 2016

	<u>Governmental Fund Type</u> <u>Salary and Expense Fund</u>
<u>Revenues:</u>	
Caddo Assessment District	4,098,227
State revenue sharing	95,050
Charges for services	115,814
Interest income	8,588
Miscellaneous	<u>25</u>
Total revenues	4,317,704
<u>Expenditures:</u>	
Insurance	693,607
General office expense	84,792
Professional fees	186,520
Equipment maintenance and purchases	155,900
Postage	81,049
Education and travel	57,136
Automobile	77,165
Office forms	38,633
Office supplies	27,025
Salaries-assessor	169,631
Salaries-deputies	1,843,153
Salaries-other	84,334
Retirement fund expense	<u>227,316</u>
Total expenditures	<u>3,726,261</u>
<u>Excess of revenues over expenditures</u>	591,443
<u>Beginning fund balance</u>	<u>5,012,193</u>
<u>Ending fund balance</u>	<u>5,603,636</u>

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

CADDO PARISH TAX ASSESSOR
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO THE
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Net change in fund balance-governmental fund	591,443
OPEB obligation expense	(335,096)
Retirement expenditures paid	(330,846)
Non-employer pension retirement contributions	756,525
Equipment purchases	16,088
Depreciation expense	<u>(47,861)</u>
Change in net position of governmental activities	<u><u>650,253</u></u>

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

CADDO PARISH TAX ASSESSOR
STATEMENT OF FIDUCIARY NET ASSETS
DECEMBER 31, 2016

<u>A S S E T S</u>	
Investment in deferred compensation-Note 10	<u>951,327</u>
<u>N E T A S S E T S</u>	
Net assets	<u>951,327</u>

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, 2016

Balance beginning of year		865,212
<u>Increases:</u>		
Contributions	38,912	
Gains on investments	43,011	
Transfers in	<u>101,458</u>	183,381
<u>Decreases:</u>		
Withdrawals	92,757	
Administrative fees	<u>4,509</u>	<u>97,266</u>
Balance end of year		<u><u>951,327</u></u>

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

CADDO PARISH TAX ASSESSOR

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

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'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, 2016, there were 136,326 real property and movable property assessments totaling \$1,553,711,754 and \$534,244,360, respectively. This represents a decrease of 220 assessments with a decrease totaling \$9,852,405 in value over the prior year. The decrease in the number of assessments is due to more parcels on the exempt and adjudicated roll. The decrease in value is due to a decrease in the value of oil and gas 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.

The content and certain titles of the GWFS were changed upon the adoption by the Assessor in 2013 of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides reporting guidance for deferred outflows of resources and deferred inflows of resources, and adds them, when applicable, as elements of the GWFS, because they are distinct from assets and liabilities. In addition, because these additional elements may affect the residual amount of all of the elements presented in a statement of financial position, GASB 63 renames that measure as net position rather than net assets. The Assessor had deferred outflows and inflows of resources at December 31, 2016 as a result of the Pension Plan it participates in and the implementation of GASB 68 in 2015. See Note 6 for more information.

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.

1. Summary of Significant Accounting Policies (Continued)

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.

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. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. 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.

1. Summary of Significant Accounting Policies (Continued)

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.

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.

<u>Description</u>	<u>Estimated Lives</u>
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.

2. Levied Taxes (Continued)

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, \$4,105,317 were due to the Assessor for the year ended December 31, 2015. The taxes remitted to the Assessor in 2016 were primarily for the 2015 assessment year. For 2016, total taxes of \$4,101,547 were collected, of which \$4,019,018 relates to assessed taxes for the 2015 assessment year, \$79,209 relates to taxes assessed for other periods, and \$3,320 were refunded to taxpayers. Approximately 98% of the taxes assessed were collected for 2015 and the Assessor believes that the remaining 2%, \$86,299, 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:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Caddo Assessment District	2.29	2.29

The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2016 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
SWEPCO/AEP	Utility	93,026,330	4.46%
Chesapeake Operating, Inc.	Natural Gas	20,072,730	.96%
Calumet Shreveport	Refinery	18,519,270	.89%
Bell South	Utility	15,011,420	.72%
UOP, LLC	Refinery	14,771,900	.70%
BHB Billiton Petro (TXLA Operating) Co.	Natural Gas	12,643,150	.61%
Union Pacific Railroad Co.	Railroad	12,962,100	.62%
CenterPoint Energy ARKLA	Utility	10,400,770	.50%
Capital One	Banking	10,262,870	.49%
Walmart	Retail	<u>11,772,730</u>	<u>.56%</u>
		<u>219,443,270</u>	<u>10.51%</u>

3. Cash and Cash Equivalents

At December 31, 2016, the Assessor has cash and cash equivalents as follows:

	<u>Salary and Expense Fund</u>
Commercial interest checking accounts	<u>1,359,092</u>
Total cash and cash equivalents	<u>1,359,092</u>

3. Cash and Cash Equivalents (Continued)

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 \$1,448,493 as of December 31, 2016.

4. Investments

The investments of all funds consisted of certificates of deposit, a money market account and the LAMP Fund and a schedule is presented below:

	<u>Rate of Interest</u>	<u>Salary and Expense Fund</u>
Home Federal Savings & Loan	0.15%	136,247
Home Federal Savings & Loan	0.15%	137,037
Home Federal Savings & Loan	0.15%	137,062
Home Federal Savings & Loan	0.25%	140,839
Home Federal Savings & Loan	0.25%	140,995
Home Federal Savings & Loan	0.25%	141,170
Home Federal Savings & Loan	0.25%	141,098
Home Federal Savings & Loan	0.25%	141,040
Home Federal Savings & Loan	0.15%	251,173
Home Federal Savings & Loan	0.15%	251,194
Home Federal Savings & Loan	0.15%	251,303
Home Federal Savings & Loan	0.15%	251,427
Red River Bank	0.10%	250,000
Red River Bank	0.10%	250,000
Red River Bank	0.10%	250,000
Red River Bank	0.10%	250,000
Business First Bank Money Market		253,169
LAMP Investments		<u>823,000</u>
		<u>4,196,754</u>

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 \$4,065,000 as of December 31, 2016.

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.

4. Investments (Continued)

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 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, 2016 is as follows:

	<u>Furniture, Office Equipment and GIS Equipment</u>	<u>Computer Equipment</u>	<u>Total</u>
Balance January 1, 2016	250,633	882,255	1,132,888
Additions	3,902	12,186	16,088
Deletions	<u>(5,197)</u>	<u>-</u>	<u>(5,197)</u>
Balance December 31, 2016	249,338	894,441	1,143,779
<u>Less-accumulated depreciation</u>	<u>(233,116)</u>	<u>(823,079)</u>	<u>(1,056,195)</u>
Capital assets, net	<u>16,222</u>	<u>71,362</u>	<u>87,584</u>

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.

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 2016, the rate was 13.50% until October, at which point it dropped to 10%. For 2015, the rate was 13.50%. The Caddo Parish Tax Assessor's contributions to the Fund for the years ending December 31, 2016 and 2015 were \$374,199 and \$393,815, 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, 2016 and 2015 was \$146,883 and \$147,061, respectively. For 2016, 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:

6. Pension Plan (Continued)

Valuation Date	September 30, 2016
Actuarial Cost Method	Entry age normal.
Investment Rate of Return (discount rate)	7.00%, net of pension plan investment expense, including inflation.
Inflation Rate	2.50%
Salary Increases	5.75% (including inflation and merit increases).
Annuitant and beneficiary mortality	RP 2000 Healthy Annuitant Table set forward one year and projected to 2030 for males and females.
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 7.00%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions and the other assumptions and methods as specified in this report, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Thus, the discount rate used to measure the total pension liability was 7.00%.

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 2016 is 6 years.

The following presents the net pension liability of the Fund calculated using the discount rate of 7.00%, 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 (6.00%) or one percentage point higher (8.00%) than the current rate (assuming all other assumptions remain unchanged):

6. Pension Plan (Continued)

	1% Decrease <u>(6.00%)</u>	Current Discount Rate (7.00%)	1% Increase <u>(8.00%)</u>
Assessor's proportionate share of the net pension liability	<u>3,087,967</u>	<u>1,460,936</u>	<u>65,811</u>

Actuarial date and measurement date: September 30, 2016

Projected required contribution	243,340
Employer allocation percentage	4.140160%
Net pension liability	1,460,936

Deferred Outflows

Net differences between projected and actual earnings	441,798
Differences between expected and actual experience	101,218
Changes in assumptions	187,071
Changes in proportion	-
Employer contributions subsequent to measurement date	<u>46,011</u>
Total Deferred Outflow	<u>776,098</u>

Deferred Inflows

Differences between expected and actual experience	150,707
Net differences between projected and actual earnings	-
Changes in assumptions	-
Changes in proportion	<u>171,810</u>
Total Deferred Inflows	<u>322,517</u>

Pension Expense

Proportionate share of plan pension expense	591,857
Net amortization of deferred amounts from changes in proportion	<u>(37,916)</u>
Total Employer Pension Expense	<u>553,941</u>

Proportionate Share

Employer contributions	244,795
Non-employer contributions	756,524

Schedule of Net Pension Liability Sensitivity to Change in Discount Rate

Employer's proportionate share	
1% decrease	3,087,967
1% increase	65,811

Amortization Schedule

2017	152,570
2018	149,075
2019	186,078
2020	(46,930)
2021	<u>12,788</u>
Total	<u>453,581</u>

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.

Effective with the Year ending December 31, 2010, the Caddo Parish Tax Assessor implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). This statement has been implemented prospectively. Using this method, the beginning OPEB liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to January 1, 2009) will be amortized and recognized as an expense over thirty years.

Funding Policy. The Assessor pays 100% of retirees’ medical and life insurance premiums and 50% of the retirees’ dependent medical coverage. The eligibility requirement is that the former employee must have met the requirements of the retirement system. These requirements are at least twelve years of coverage service and at least fifty-five years of age or thirty years of service. The number of participants currently eligible to receive benefits is twenty-eight. For the year ended December 31, 2016, the Assessor contributed \$265,332 to the plan.

Annual OPEB Cost and Net OPEB Obligation. The Assessor’s annual other post employment benefit (OPEB) costs (expense) is calculated based on the annual required contribution of the employer (ARC). The Assessor’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A 4% discount rate and amortization period of 30 years (the maximum amortization period allowed by GASB 45) have been used for the post-employment benefits.

Annual required contribution	732,605
Interest on prior year net OPEB obligation	206,634
Adjustment to annual required contribution	<u>(338,811)</u>
Annual OPEB Cost	600,428
Contributions made	<u>(265,332)</u>
Increase in net OPEB obligation	335,096
Net OPEB obligation at beginning of year	<u>5,550,194</u>
Net OPEB obligation at end of year	<u>5,885,290</u>

The Assessor’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and net OPEB obligation for the year 2016, 2015 and 2014, was \$732,605, \$732,605, and \$1,042,036, 42%, 45%, and 19%, and \$5,885,290, \$5,550,194, and \$5,165,841, respectively.

7. Other Postemployment Benefits (Continued)

Funded Status and Funding Progress. As of December 31, 2016, the actuarial accrued liability for benefits was \$7,459,078 all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan was) was \$1,799,814, and ratio of unfunded actuarial accrued liability to the covered payroll was 414%. The date of the most recent actuarial valuation performed was January 1, 2015.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

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

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

8. Leases

The Caddo Parish Tax Assessor has five operating lease agreements for automobiles and office equipment. The leases range in terms from 36 to 60 months. During 2016, total payments under these leases were \$27,169.

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

2017	22,463
2018	10,842
2019	6,486
2020	2,517
2021	-
	<u>42,308</u>

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.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

CADDO PARISH TAX ASSESSOR
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016
(Unaudited)

	<u>Governmental Fund Type</u> <u>Salary and Expense Fund</u>		Variance
	<u>Actual</u>	<u>Budget</u>	Favorable <u>(Unfavorable)</u>
<u>Revenues:</u>			
Caddo Assessment District	4,098,227	4,105,316	(7,089)
State revenue sharing	95,050	103,000	(7,950)
Interest income	8,588	6,100	2,488
Other revenues	<u>115,839</u>	<u>122,402</u>	<u>(6,563)</u>
Total revenues	4,317,704	4,336,818	(19,114)
<u>Prior year surplus</u>	5,012,193	2,800,500	2,211,693
<u>Expenditures:</u>			
Insurance	693,607	894,850	201,243
General office expense	84,792	118,029	33,237
Professional fees	186,520	228,700	42,180
Equipment maintenance and purchases	155,900	330,799	174,899
Mapping	-	600	600
Postage	81,049	110,030	28,981
Education and travel	57,136	72,200	15,064
Automobile	77,165	86,920	9,755
Office forms	38,633	46,530	7,897
Office supplies	27,025	80,876	53,851
Salaries	2,097,118	2,400,000	302,882
Retirement fund expense	<u>227,316</u>	<u>475,000</u>	<u>247,684</u>
Total expenditures	<u>3,726,261</u>	<u>4,844,534</u>	<u>1,118,273</u>
<u>Fund balance:</u>			
December 31, 2016	<u>5,603,636</u>	<u>2,292,784</u>	<u>3,310,852</u>

CADDO PARISH TAX ASSESSOR

NOTES TO BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2016

(Unaudited)

1. Budget

Refer to Note 1 of the financial statements for details regarding the budget process. The budget presented on Page 28 is the original budget with no amendments to the budget during the year.

CADDO PARISH TAX ASSESSOR

RETIREE HEALTH CARE PLAN

DECEMBER 31, 2016

(Unaudited)

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
January 1, 2015	-	7,459,078	7,459,078	0%	1,799,814	414%

CADDO PARISH TAX ASSESSOR

SCHEDULE OF PROPORTIONAL SHARE OF THE NET PENSION

LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED DECEMBER 31, 2016

(Unaudited)

	<u>2016</u>	<u>2015</u>
Assessor's proportion of the net pension liability	4.140160%	4.393390%
Assessor's proportion share of the net pension liability	1,460,936	2,299,161
Non-employer's proportion share of net pension liability	<u>-</u>	<u>-</u>
Total	<u>1,460,936</u>	<u>2,299,161</u>
Assessor's covered employee payroll	1,799,814	1,827,804
Assessor's proportion share of the net pension liability as a percentage of its covered employee payroll	81.17%	125.79%
Plan fiduciary net position as a percentage of the total pension liability	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, 2016
(Unaudited)

	<u>2016</u>	<u>2015</u>
Contractually required contribution	227,317	246,754
Contributions in relation to the contractually required contribution	227,317	246,754
Contribution deficiency (excess)	-	-
Assessor's covered-employee payroll	1,799,814	1,827,804
Contributions as a percentage of covered-employee payroll	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%.

OTHER FINANCIAL INFORMATION

CADDO PARISH TAX ASSESSOR

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS,

AND OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED DECEMBER 31, 2016

Agency Head: Charles R. Henington, Jr.

Salary and expense amount	172,515
Benefits-insurance	13,445
Benefits-retirement	35,663
Vehicle provided by government	4,745
Travel	7,845
Registration fees	450
Conference travel	3,736
Continuing professional education fees	<u>1,195</u>
	<u>239,594</u>

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

May 19, 2017

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, 2016, 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 May 19, 2017.

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.

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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, 2016

We have audited the financial statements of Caddo Parish Tax Assessor as of and for the year ended December 31, 2016, and have issued our report thereon dated May 19, 2017. 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, 2016 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 - No major program.

Section II - Financial Statement Findings

No matters were reported.

CADDO PARISH TAX ASSESSOR
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

No prior year findings were reported.