

ANNUAL FINANCIAL REPORT  
JEFFERSON PARISH ASSESSOR  
GRETN, LOUISIANA  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2017



**ERICKSEN KRENTEL**<sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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## **INDEPENDENT AUDITORS' REPORT**

Honorable Thomas J. Capella  
Jefferson Parish Assessor  
Gretna, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Jefferson Parish Assessor (the Assessor) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the 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.

### ***Auditors' 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, the *Louisiana Governmental Audit Guide* 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.



Honorable Thomas J. Capella  
Jefferson Parish Assessor  
May 21, 2018

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Jefferson Parish Assessor as of December 31, 2017, 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, budgetary comparison information, schedule of funding progress of OPEB plan, schedule of proportionate share of net pension liability, and schedule of contributions -- retirement plan and the related notes to required supplementary information on pages 4 through 7 and 36 through 40 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 Assessor's basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis as required by Act 706 of the 2014 Louisiana Legislative Session and is not a required part of the basic financial statements.



Honorable Thomas J. Capella  
Jefferson Parish Assessor  
May 21, 2018

The schedule of compensation, benefits, and other payments to agency head 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, benefits, and other payments to agency head 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 21, 2018, on our consideration of the Jefferson Parish Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Jefferson Parish Assessor's internal control over financial reporting and compliance.

May 21, 2018  
New Orleans, Louisiana

A handwritten signature in black ink, appearing to read "Erickson Krentel".

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION (PART I)**

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

This section of the Jefferson Parish Assessor's (the Assessor) annual financial report presents management's analysis of the Assessor's financial performance for the year ended December 31, 2017. This analysis should be read in conjunction with the audited financial statements which follow this section.

**FINANCIAL HIGHLIGHTS**

- The Assessor's net position increased by \$344,763.
- The revenues of the Assessor were \$4,883,180.
- The total expenditures/expenses of the Assessor were \$4,538,417.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This report consists of three sections: Management's Discussion and Analysis, audited financial statements and supplementary information. The financial statements also include notes that provide additional detail of the information included in the financial statements.

**BASIC FINANCIAL STATEMENTS**

The financial statements of the Assessor report information about the Assessor using accounting methods similar to those used by private companies. These financial statements provide financial information about the activities of the Assessor.

The Statement of Net Position (Exhibit A) and the Balance Sheet (Exhibit C) present information that includes all of the Assessor's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position and fund balance, respectively. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Assessor as a whole is improving or deteriorating. The Governmental Fund Balance Sheet focuses on balances that are left at year-end and are available for spending.

The Statement of Activities (Exhibit B) and the Statement of Revenues, Expenditures, and Changes in Fund Balance (Exhibit E) present information showing how the Assessor's net position and fund balance changed during the most recent fiscal year.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 14 of this report.

The following presents condensed financial information of the Assessor:

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

SUMMARY OF NET POSITION  
AS OF DECEMBER 31, 2017 AND 2016

	2017	2016
Current assets	\$ 12,237,485	\$ 11,478,036
Capital assets, net	62,505	77,199
Total assets	12,299,990	11,555,235
Total deferred outflows of resources	598,270	782,517
Current liabilities	4,409,103	4,385,903
Non-current liabilities	5,860,756	6,012,422
Total liabilities	10,269,859	10,398,325
Total deferred inflows of resources	565,126	220,915
Net investment in capital assets	62,505	77,199
Unrestricted	2,000,770	1,641,313
Total net position	\$ 2,063,275	\$ 1,718,512

Total assets increased by \$744,755 (6%) due to a revenue increase approved by the State Legislature in 2012 which created a surplus for the years following in an effort to withstand future increased expenditures. Deferred outflows of resources decreased \$184,247 (24%) primarily due to current year amortizations of prior years' deferred outflows and the netting of certain deferred inflows and outflows in accordance with GASB Statement No. 68. Total liabilities decreased by \$128,466 (1%) primarily due to a reduction in net pension liability as calculated at September 30, 2017. Deferred inflows of resources increased by \$344,211 (156%) primarily due to a large deferred inflow from differences between projected and actual earnings on pension plan investments in the current year. Net position increased by \$344,763 (20%) as a result of operations.

SUMMARY OF REVENUES, EXPENDITURES/EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Program revenues	\$ 551,413	\$ 750,819
General revenues	4,331,767	4,334,114
Expenditures/expenses	(4,538,417)	(4,508,843)
Changes in net position	\$ 344,763	\$ 576,090
Ending net position	\$ 2,063,275	\$ 1,718,512

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

The change in net position decreased by \$231,327 (40%) primarily due to a decrease in non-employer contributions in the pension plan.

**CAPITAL ASSETS AND LONG-TERM OBLIGATIONS**

**Capital Assets**

Following is a schedule of capital assets, net of accumulated depreciation, as of December 31, 2017 and 2016:

	2017	2016
Office equipment	\$ 136,481	\$ 133,664
Less accumulated depreciation	(73,976)	(56,465)
Capital assets, net of accumulated depreciation	\$ 62,505	\$ 77,199

The additions to capital assets during the year consisted of computer equipment.

**Pensions**

As of July 1, 2014, the Assessor has implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27." GASB Statement No. 68 improves accounting and financial reporting for pensions for the Assessor's proportionate share of the net pension liability. The Assessor is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective outflows of resources and deferred inflows of resources related to pensions. At December 31, 2017, the Assessor reported \$731,197 for its proportionate share of net pension liability, \$598,270 for deferred outflow of resources and \$565,126 for deferred inflows of resources. See Note 4 to the basic financial statements for further discussion of the pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions.

**Other Postemployment Benefits Other than Pensions**

As of July 1, 2009, the Assessor has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions," GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The adoption of this standard requires the prospective recognition of Other Post-Employment Benefits (OPEB) in the basic financial statements (net of contributions to any irrevocable trust). Prior to July 1, 2009, the Assessor did not recognize any OPEB liability in the basic financial statements. See Note 6 to the basic financial statements for further discussion of the Other Postemployment Benefits.

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

**BUDGET ANALYSIS**

A comparison of budget to actual operations is required information and is presented in the accompanying financial statements.

**ECONOMIC FACTORS AND A LOOK AT NEXT YEAR**

The Assessor is committed to serving Jefferson Parish by uniformly and accurately appraising and assessing all property in the parish for property tax purposes. The majority of the Assessor's revenue is mandated by the State Legislature. The Assessor expects to receive the same amount of tax revenue in 2018 which is advanced to it monthly by the parish council and the school board in accordance with Louisiana Revised Statute 47:1906. Expenditures are expected to continue to rise in the coming years due to personnel and healthcare costs.

**CONTACTING THE ASSESSOR'S MANAGEMENT**

This report is designed to provide a general overview of the Assessor and to demonstrate the Assessor's accountability for its finances. If you have any questions about this report or need additional information, please contact Thomas J. Capella, Assessor, Jefferson Parish, 200 Derbigny Street, Suite 1100, Gretna, LA 70053.

## **BASIC FINANCIAL STATEMENTS**

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2017**

**ASSETS:**

Cash and cash equivalents	\$ 7,851,329
Appropriation receivable	4,320,085
Prepaid expenses	66,071
Capital assets, net of accumulated depreciation	<u>62,505</u>
Total assets	<u>12,299,990</u>

**DEFERRED OUTFLOWS OF RESOURCES:**

Pensions (note 4)	<u>598,270</u>
Total deferred outflows of resources	<u>598,270</u>

**LIABILITIES:**

Accounts payable	4,938
Advances payable	4,320,085
Accrued payroll and related expenditures	84,080
Accrued annual leave	54,492
Net pension liability	731,197
Other post-employment benefits	<u>5,075,067</u>
Total liabilities	<u>10,269,859</u>

**DEFERRED INFLOWS OF RESOURCES:**

Pensions (note 4)	<u>565,126</u>
Total deferred inflows of resources	<u>565,126</u>

**NET POSITION:**

Net investment in capital assets	62,505
Unrestricted	<u>2,000,770</u>
Total net position	<u>\$ 2,063,275</u>

The accompanying notes are an integral part of this statement

**JEFFERSON PARISH ASSESSOR**  
**GRETN, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

Functions/Programs	Expenses	Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position
<u>Governmental activities:</u>			
Property assessment and tax roll preparation	\$ 4,538,417	\$ 551,413	\$ (3,987,004)
		General revenues:	
		Intergovernmental revenues:	
		Compensation from taxing bodies	4,320,084
		Other income	3,015
		Investment income	8,668
		Total general revenues	4,331,767
		Change in net position	344,763
		Net position - beginning	1,718,512
		Net position - ending	\$ 2,063,275

**The accompanying notes are an integral part of this statement**

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
BALANCE SHEET - GOVERNMENTAL FUND  
DECEMBER 31, 2017**

	<u>General Fund</u>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 7,851,329
Appropriation receivable	4,320,085
Prepaid expenses	<u>66,071</u>
Total assets	<u>\$ 12,237,485</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>	
<b><u>LIABILITIES:</u></b>	
Accounts payable	\$ 4,938
Advances payable	4,320,085
Accrued payroll	<u>84,080</u>
Total liabilities	<u>4,409,103</u>
<b><u>FUND BALANCE:</u></b>	
Nonespendable - prepaid	66,071
Assigned to fund other post-employment benefits	1,800,000
Unassigned	<u>5,962,311</u>
Total fund balance	<u>7,828,382</u>
Total liabilities and fund balance	<u>\$ 12,237,485</u>

**The accompanying notes are an integral part of this statement**

**JEFFERSON PARISH ASSESSOR**  
**GRETNA, LOUISIANA**  
 RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2017

Fund balance - total governmental fund	\$ 7,828,382
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund	62,505
Deferred outflows of resources related to pensions are not reported in governmental funds	598,270
Deferred inflows of resources related to pensions are not reported in governmental funds	(565,126)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds. All liabilities (both current and long-term) are reported in the Statement of Net Position:	
Accrued annual leave	(54,492)
The liability for pension expense is an actuarial calculation of future obligations related to retirement, survivor, disability, and termination benefits, and is not due and payable in the current period, and therefore, is not reported in the governmental funds.	(731,197)
The liability for other post-employment benefits is an actuarial calculation of future obligations related to retiree health insurance benefits, and is not due and payable in the current period, and therefore, is not reported in the governmental funds.	<u>(5,075,067)</u>
Net position of governmental activities	<u>\$ 2,063,275</u>

**The accompanying notes are an integral part of this statement**

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA**  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

**REVENUES:**

Intergovernmental revenues - compensation from taxing bodies	\$ 4,320,084
Other income	3,015
Investment income	<u>8,668</u>
 Total revenues	 <u>4,331,767</u>

**EXPENDITURES:**

## Current:

## Salaries:

Assessor	156,832
Deputies and others	1,918,319
Auto expense	10,543
Assessor's expense allowance	15,683
Dues and subscriptions	45,793
Data processing program expense	3,123
Employee benefits	411,952
Equipment rental	405
Insurance - general	20,252
Insurance - group	700,480
Office expense	171,528
Payroll taxes	34,623
Postage	73,817
Professional education	2,721
Professional fees	6,500
Repairs and maintenance	12,182
Telephone	4,432
Travel and lodging	<u>3,516</u>
 Total current expenditures	 3,592,701
 Capital outlay	 <u>2,817</u>
 Total expenditures	 <u>3,595,518</u>
 Net change in fund balance	 736,249
 Fund balance - beginning	 <u>7,092,133</u>
 Fund balance - ending	 <u>\$ 7,828,382</u>

**The accompanying notes are an integral part of this statement**

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA**  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017

Net change in fund balance - total governmental fund	\$	736,249
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Amounts reported for governmental activities in the Statement of  
Activities are different because:

The governmental fund reports capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$2,817 was exceeded by depreciation expense of \$17,841 in the current period. (14,694)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds:

Change in long-term portion of accrued annual leave		(6,386)
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The change in liability for pension expense is an actuarial calculation of future obligations related to retirement, survivor, disability, and termination benefits, and is not due and payable in the current period, and therefore, is not reported in the governmental funds.

Pensions		(361,147)
Non-employer contributions for pension		551,413

The change in the liability for other post-employment benefits is an actuarial calculation of future obligations related to retiree health insurance benefits, and is not due and payable in the current period, and therefore, is not reported in the governmental funds. (560,672)

Change in net position of governmental activities	\$	<u>344,763</u>
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**The accompanying notes are an integral part of this statement**

**JEFFERSON PARISH ASSESSOR**  
**GRETNA, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the Jefferson Parish Assessor (Assessor) is elected by the voters of the parish and serves a term of four years. The Assessor assesses all real and movable property in the parish, prepares the tax rolls, and submits the rolls to the Louisiana Tax Commission as prescribed by law.

**Reporting Entity**

The Assessor receives funding from local government sources and must comply with the concomitant requirements of these funding source entities. However, the Assessor is a "primary government" as defined in Governmental Accounting Standards Board (GASB) pronouncements, since the Assessor has the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. The Assessor has no component units.

The accounting and reporting policies of the Assessor conform to accounting principles generally accepted in the United States, as applicable to governmental units.

**Basis of Presentation**

The Assessor's financial statements are prepared in conformity with U.S. generally accepted accounting principles (GAAP). The GASB is responsible for establishing GAAP for state and local governments through pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Assessor are discussed below.

The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

**JEFFERSON PARISH ASSESSOR**  
**GRETNA, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statements - Government-Wide Financial Statements (GWFS)**

The Assessor's basic financial statements include both government-wide (reporting the Assessor as a whole) and fund financial statements (reporting the Assessor's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Assessor's property assessment and tax roll preparation activities and related general administrative services are classified as governmental activities. The Assessor does not have any business-type activities.

In the government-wide Statement of Net Position (Exhibit A), the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and liabilities. The Assessor's net position is reported in two parts – net investment in capital assets and unrestricted net position.

The government-wide Statement of Activities (Exhibit B) reports both gross and net cost of the Assessor's function (property assessment and tax roll preparation). The function is supported by general government revenues (commissions paid directly by the Jefferson Parish Sheriff and investment income).

This government-wide focus is on the sustainability of the Assessor as an entity and the change in the Assessor's net position resulting from current year's activities.

**Basic Financial Statements – Fund Financial Statements (FFS)**

The financial transactions of the Assessor are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The Assessor's current operations require the use of only the following fund type:

**Governmental Fund:**

The focus of the governmental fund's measurement (in the fund statement) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. In general, fund balance represents the accumulated expendable resources, which may be used to finance future operations of the Assessor. The following is a description of the governmental fund of the Assessor:

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statements – Fund Financial Statements (FFS) (continued)**

*General Fund*

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the principal fund of the Assessor and is used to account for the operations of the Assessor's office. Compensation received from the various taxing bodies, prescribed by formula in Louisiana Revised Statutes 47:1907-1908, is accounted for in this fund. General operating expenditures are paid from this fund.

**Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

*Accrual*

The governmental activities in the government-wide financials are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows or resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50 (GASB 34, as amended by GASB 63 and 65).

*Modified Accrual*

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

**JEFFERSON PARISH ASSESSOR**  
**GRETNA, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting (continued)**

Modified Accrual (continued)

The Assessor's records are maintained on a cash basis of accounting. However, the General Fund reported in the accompanying financial statements has been converted to a modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures.

**Budgets**

Annually, the Assessor adopts a budget for the General Fund on a modified accrual basis of accounting. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. Budgetary integration is used as a management control device.

Once a budget is approved it can be amended. Such amendments are made before the fact, are reflected in the official minutes of the office, and are not made after fiscal year end.

Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Assessor. All budget appropriations lapse at year end.

**Cash**

The Assessor is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, and the laws of the United States. The Assessor may also invest in U.S. Treasury securities and other evidence of indebtedness issued or guaranteed by federal agencies and time certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. 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 such pledged securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent.

**JEFFERSON PARISH ASSESSOR**  
**GRETNA, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. In the fund financial statements, fixed assets are accounted for as capital outlay expenditures of the fund upon acquisition.

Capital assets are recorded in the Statement of Net Position and depreciation is recorded in the Statement of Activities. Since surplus assets are sold for an immaterial amount or scrapped when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Office equipment	7 years
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**Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Assessor has one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. Currently, the Assessor has one item that qualifies for reporting in this category, deferred amounts related to pensions.

**Compensated Absences**

Employees accrue vacation leave at the rate of 13 to 22 <sup>3</sup>/<sub>4</sub> days per year, according to the years of service with the Assessor. A maximum of 30 days of vacation leave can be accumulated. Upon termination or retirement, employees can receive payment for a maximum of ten days of unused accumulated vacation leave. Sick leave is accrued at the rate of 16 <sup>1</sup>/<sub>4</sub> days per year for all employees. Upon termination or retirement, employees do not receive payment for unused accumulated sick leave.

**JEFFERSON PARISH ASSESSOR  
GRETN, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity Classification**

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

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, and unassigned. The Assessor, as the highest level of decision-making authority, can establish, modify or rescind a fund balance commitment. For assigned fund balance, the Assessor authorizes management to assign amounts for a specific purpose.

When both restricted and unrestricted fund balances are available for use, it is the Assessor's policy to use restricted resources first, then unrestricted as needed. When committed, assigned or unassigned fund balances are available for use, it is the Assessor's policy to use committed resources first, then assigned resources and unassigned resources as they are needed.

**Long-Term Obligations**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Louisiana Assessors' Retirement Fund and Subsidiary and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues**

The Assessor's revenue is derived from ad valorem taxes assessed on a calendar year basis. The ad valorem taxes assessed are due on December 31<sup>st</sup> of the calendar year in which the taxes are assessed and are paid to the Jefferson Parish Sheriff's Office. As required by Louisiana Revised Statute 47:1906, the Assessor earns a percentage of the taxes assessed. In order to fund current year operations, the Assessor is advanced funds on a monthly basis by the Jefferson Parish Council and the Jefferson Parish School Board. In January of the subsequent year, the Jefferson Parish Sheriff's Office remits the amount due to the Assessor. The Assessor then repays the advances to the Council and School Board.

As of December 31, 2017, appropriations receivable from the Jefferson Parish Sheriff's Office was \$4,320,085, and the total advances payable to Jefferson Parish Council and the Jefferson Parish School Board was \$4,320,085.

Interest earned on investments is recorded when earned.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Date of Management Review**

Management has evaluated subsequent events through May 21, 2018, the date which the financial statements were available to be issued.

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017**

**(2) CAPITAL ASSETS**

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

	Balance at January 1, <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance at December 31, <u>2017</u>
Office equipment	\$ 133,664	\$ 2,817	\$ -	\$ 136,481
Accumulated depreciation	<u>(56,465)</u>	<u>(17,511)</u>	<u>-</u>	<u>(73,976)</u>
Total capital assets, net	<u>\$ 77,199</u>	<u>\$ (14,694)</u>	<u>\$ -</u>	<u>\$ 62,505</u>

The Assessor's net capital assets of \$77,199 represent purchases of fixed assets made by the Assessor from 1977 through 2017. All fixed assets of the Assessor purchased prior to 1977 are included in the capital assets of the Jefferson Parish Council. Depreciation expense for the year ended December 31, 2017 was \$17,511 and was charged to the activity of property assessment and tax roll preparation.

**(3) COMPENSATED ABSENCES**

A summary of compensated absences is as follows:

	Balance at January 1, <u>2017</u>	Net Increase (Decrease)	Balance at December 31, <u>2017</u>
Compensated absences	\$ 48,860	\$ 5,632	\$ 54,492

**(4) PENSION PLAN**

**Plan Description**

Substantially all of the full-time employees of the Assessor participate in the Louisiana Assessors' Retirement Fund (the Fund), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

Employees who were hired before October 1, 2013, will be eligible for pension benefits once they have either reached the age of 55 and have at least 12 years of service or have at least 30 years of service, regardless of age. Employees who were hired on or after October 1, 2013, will be eligible for pension benefits once they have either reached the age of 60 and have at least 12 years of service or have reached the age of 55 and have at least 30 years of service.

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017**

**(4) PENSION PLAN (CONTINUED)**

**Plan Description (continued)**

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

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to the employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. Employees may elect a reduced benefit or any of four options at retirement: (1) at death, the beneficiary will receive a lump sum payment based on the present value of the employee's annuity account balance; (2) at death, the beneficiary will receive a life annuity based on their reduced retirement allowance; (3) at death, the beneficiary will receive a life annuity equal to one-half of their reduced retirement allowance; and (4) any other benefit certified by the actuary and approved by the Board of Trustees that will be equivalent in value to their retirement allowance.

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, Post Office Box 14699, Baton Rouge, Louisiana 70898.

**Contributions**

At December 31, 2017, members of the Fund are required by state statute to contribute 8% of their annual covered salary and the Assessor is required to contribute at an actuarially determined rate, which was 8% of annual covered payroll as of December 31, 2017. The contribution requirements of plan members and the Assessor are established and may be amended by state statute. 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. Member contributions are deducted from the member's salary and remitted by the Assessor. Administrative costs of the Fund are financed through employer contributions.

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017**

**(4) PENSION PLAN (CONTINUED)**

**Contributions (continued)**

The Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state as well as a state revenue sharing appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee. Although the direct employer actuarially required contribution for the fiscal year ended September 30, 2017 is 4.75%, the actual employer contribution rate for the fiscal year ended September 30, 2017 was 10.00%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set one year prior to the year effective. The minimum direct employer actuarially required contribution will be 4.75% for fiscal year ended September 30, 2018.

Louisiana Revised Statute 11:1481 requires plan members to contribute 8.00% into the Fund. For the calendar year 2017, the Assessor elected to pay 100% of the employees' contribution to the Fund. The Assessor's covered employees' contributions to the Fund for the year ending December 31, 2017 was \$147,856. The Assessor's covered employer's contributions to the Fund for the year ending December 31, 2017 was \$176,092, equal to the required contribution for each year.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2017, the Assessor reported a liability totaling \$731,197 for its proportionate share of the net pension liability for the Fund. The net pension liability was measured as of September 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Assessor's proportion of the Net Pension Liability was based on a projection of the Assessor's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2017, the Assessor's proportion was 4.167054% for the Fund, which was an increase of .058113% from its proportion measured as of September 30, 2016.

For the year ended December 31, 2017, the Assessor recognized pension expense for the Fund totaling \$685,095. Deducted from pension expense is the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions totaling \$14,490 for the Fund.

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017**

**(4) PENSION PLAN (CONTINUED)**

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

For the year ended December 31, 2017, the Assessor recognized revenue from ad valorem taxes and revenue sharing funds received by the Fund. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities totaling \$551,413.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 81,501	\$ 229,570
Change in assumptions	457,322	-
Net difference between projected and actual earnings on pension plan investments	-	282,948
Changes in proportion and differences between employer contributions and proportionate share of contributions	24,539	52,608
Employer contributions subsequent to the measurement date	<u>34,908</u>	<u>-</u>
Total	<u>\$ 598,270</u>	<u>\$ 565,126</u>

Employer contributions subsequent to the measurement date totaling \$34,908 and reported as deferred outflows of resources will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the year ended December 31<sup>st</sup>:

2018	\$ 67,142
2019	104,383
2020	(138,518)
2021	(77,444)
2022	<u>42,673</u>
Total	<u>\$ (1,764)</u>

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017**

**(4) PENSION PLAN (CONTINUED)**

**Actuarial Assumptions**

The total pension liability in the December 31, 2017 actuarial valuation for the Fund was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	September 30, 2017
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of investment expense, including inflation
Inflation Rate	2.50%
Projected Salary Increases	5.75%
Mortality Rates	RP-2000 Healthy Annuitant Table set forward one year and projected to 2030 for males and females. RP-2000 Employee Tables set back 4 years for males and 3 years for females. RP-2000 Disabled Lives Mortality Tables set back 5 years for males and 3 years for females.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

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

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017

(4) **PENSION PLANS (CONTINUED)**

**Actuarial Assumptions (continued)**

Discount Rate

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017, are summarized in the following table:

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

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

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017

**(4) PENSION PLANS (CONTINUED)**

**Actuarial Assumptions (continued)**

Discount Rate (continued)

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2016 is 6 years.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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 discount rate (assuming all other assumptions remain unchanged):

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
Assessor's proportionate share \$	2,479,511	\$ 731,197	\$ (767,571)

Retirement Fund Audit Report

The Louisiana Assessors' Retirement Fund and Subsidiary has issued a stand-alone audit report on their financial statements for the year ended September 30, 2017. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.gov](http://www.la.gov), or by contacting the Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

**JEFFERSON PARISH ASSESSOR**  
**GRETNA, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017

**(5) DEFERRED COMPENSATION PLAN**

The Assessor offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the State of Louisiana Public Employees Deferred Compensation Plan. The plan, available to all Assessor employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. During 2017, the Assessor's rate of contribution to the Plan was 6.00% of gross wages, not to exceed the employee's contribution. The Assessor's total contributions made to the plan were \$77,388 for the year ended December 31, 2017.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for the exclusive benefits of participants and their beneficiaries.

**(6) OTHER POST EMPLOYEE BENEFIT PLAN**

**Plan Description**

The Assessor administers a single-employer defined benefit healthcare plan. The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the office's group health insurance plan, which covers both active and retired members. Benefit provisions are established in the Louisiana State House of Representatives' Bill #38, Act #244 passed in September 2008. The Retiree Health Plan's financial report is publicly available upon request.

**Funding Policy**

Contribution requirements are listed in the House Bill #38, Act #244 of September 2008. The act states "the assessor shall pay the premium cost of group, life, dental, group health, hospital, surgical, or other medical insurance for any assessor or assessor's employee who retires with at least 20 years of service who is at least fifty-five years of age or who retires with at least thirty years of service at any age." The Assessor contributes 100% of the cost of current-year premiums for eligible retired plan members and 50% for their spouses. For the year ended December 31, 2017, the Assessor contributed \$268,646 to the plan. Plan members receiving benefits contribute 50% of their spouse's premium costs. For the year ended December 31, 2017, total member contributions were \$32,177.

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017**

(6) **OTHER POST EMPLOYEE BENEFIT PLAN (CONTINUED)**

**Annual OPEB Cost**

The Assessor's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*. Until 2014, the Assessor elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. During 2014, the Assessor contracted with an Actuary to perform an Actuarial Valuation. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the calculation of the Annual Required Contribution and Net OPEB Obligation. The final ARC will be dependent on the discount rate selected and the end of year Net OPEB obligation will need to reflect actual contributions.

	<u>12/31/2017</u>	<u>12/31/2016</u>
<b>Determination of Annual Required Contribution</b>		
Normal cost at fiscal year-end	\$ 391,968	\$ 391,968
Amortization of UAAL	<u>672,117</u>	<u>672,117</u>
Annual required contribution (ARC)	<u>\$ 1,064,085</u>	<u>\$ 1,064,085</u>
<b>Determination of Net OPEB Obligation</b>		
Beginning net OPEB obligation	\$ 4,514,395	\$ 3,950,477
Annual required contribution	1,064,085	1,064,085
Interest on prior year net OPEB obligation	180,576	158,019
Adjustment to ARC	<u>(261,068)</u>	<u>(228,457)</u>
Annual OPEB Cost	983,593	993,647
Contributions made (retiree cost)	<u>(422,921)</u>	<u>(429,729)</u>
Estimated increase in net OPEB obligation	560,672	563,918
Estimated net OPEB obligation – end of year	<u>\$ 5,075,067</u>	<u>\$ 4,514,395</u>

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017**

**(6) OTHER POST EMPLOYEE BENEFIT PLAN (CONTINUED)**

**Annual OPEB Cost (continued)**

The following table shows the estimated annual OPEB cost and net OPEB obligation for the prior three years assuming the plan is not prefunded:

<u>Fiscal Year Ended</u>	<u>Discount Rate</u>	<u>Annual OPEB Cost</u>	<u>% of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2017	4.00%	\$ 983,593	43.0%	\$ 5,075,067
12/31/2016	4.00%	\$ 993,647	43.3%	\$ 4,514,395
12/31/2015	4.00%	\$ 1,004,311	40.4%	\$ 3,950,477

**Funded Status and Funding Progress**

As of December 31, 2017, 2016, 2015, the actuarial accrued liability for benefits are noted in the table below, all of which were unfunded. The projection of future benefit payments 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 funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Schedule of Funding Progress for OPEB Plan**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAI) (b-a)</u>	<u>Funded Ratio (a/b)</u>
12/31/2017	\$ -	\$ 11,622,253	\$ 11,622,253	0%
12/31/2016	\$ -	\$ 11,622,253	\$ 11,622,253	0%
12/31/2015	\$ -	\$ 11,622,253	\$ 11,622,253	0%

Actuarial Accrued Liability determined under projected unit credit cost method.

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017

(6) **OTHER POST EMPLOYEE BENEFIT PLAN (CONTINUED)**

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

*Retirement age for active employees* – Sample rates for Louisiana Assessors’ Retirement Fund participants are as follows:

<u>Age</u>	<u>Males</u>	<u>Females</u>
46 – 49	22.0%	22.0%
50 – 54	44.0	44.0
55 – 57	4.0	4.0
58 – 62	18.0	18.0
63 – 65	28.0	28.0
66 +	100.0	100.0

*Disability rates* – Sample rates for Louisiana Assessors’ Retirement Fund participants are as follows:

<u>Age</u>	<u>Males</u>	<u>Females</u>
25	0.00006	0.00006
30	0.00006	0.00006
35	0.00007	0.00007
40	0.00012	0.00012
45	0.00023	0.00023
50	0.00043	0.00043
55	0.00081	0.00081
60	0.00195	0.00195
65	0.00195	0.00195

*Medicare Eligibility* – It is assumed that all participants and spouses are eligible for Medicare upon reaching age 65.

**JEFFERSON PARISH ASSESSOR  
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017**

**(6) OTHER POST EMPLOYEE BENEFIT PLAN (CONTINUED)**

**Actuarial Methods and Assumptions (continued)**

*Marriage Assumption* – Marital status of members at the calculation date was assumed to continue throughout retirement. For actives it is assumed that husbands are three years older than their wives. 40% of active participants making it to retirement are assumed to be married and elect spouse coverage.

*Mortality* – Life expectancies were based on mortality tables for pre-retirement and post-retirement as noted below.

Pre-retirement: Sex Distinct RP 2000 Combined Healthy Mortality Table projected to 2015 using Scale AA.

Post-retirement: Sex Distinct RP 2000 Combined Healthy Mortality Table projected to 2015 using Scale AA.

*Participation Assumption* – 90% of participants are assumed to elect retiree medical coverage, 100% are assumed to elect dental, 20% are assumed to elect vision, and 100% are assumed to elect life insurance coverage upon retirement.

*Turnover* – Sample rates for Louisiana Assessors' Retirement Fund participants are as follows:

<u>Service</u>	<u>Males</u>	<u>Females</u>
< 1	0.12	0.12
0	0.12	0.12
1	0.05	0.05
2	0.05	0.05
3	0.05	0.05
4	0.05	0.05
5	0.05	0.05
6	0.05	0.05
7	0.04	0.04
8	0.04	0.04
9	0.03	0.03
10	0.03	0.03
11	0.03	0.03
12	0.03	0.03
13	0.02	0.02
14	0.02	0.02
15	0.01	0.01
16 +	0.01	0.01

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017**

**(6) OTHER POST EMPLOYEE BENEFIT PLAN (CONTINUED)**

**Actuarial Methods and Assumptions (continued)**

*Healthcare cost trend rate* – The trend assumptions for medical and pharmacy costs start at a rate of 6.10% in 2015 and decrease to 4.40% by 2099. The trend assumptions for dental costs start at a rate of 4.74% in 2015 and decrease to 4.14% by 2099. The trend assumption for vision is a flat rate increase of 3% per annum.

*Health insurance premiums* – 2017 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

*Investment Return Assumption (Discount Rate)*- GASB Statement 45 states the investment return assumption (discount rate) should be based on the estimated long-term investment yield on the investments that are expected to be used to finance the OPEB obligations. Though the ARC is not funded, a conservative estimate of 4% has been used for this valuation, based on the expected long term return of a balanced and professionally managed conservative investment portfolio.

**(7) EXPENSES OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS**

The accompanying financial statements do not include certain portions of the Assessor's expenses paid directly by the Jefferson Parish Council. These expenses include office space, utilities, office supplies, capital improvements, and major equipment purchases.

**(8) COMPENSATION PAID ASSESSOR**

The compensation and expense allowance paid to the Assessor has been prepared in compliance with Louisiana Revised Statutes 47:1907. Under these statutes, the annual salary of the Assessor is fixed at \$156,832, and, in addition, the Assessor is granted ten percent of his annual compensation, or \$15,683 as a personal expense allowance provided that the tax receipts of the tax recipient body are not reduced.

The compensation and expense allowance paid the Assessor are included in the expenditures of the Governmental Fund.

**JEFFERSON PARISH ASSESSOR**  
**GRETN, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017

**(9) CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject the Assessor to concentrations of credit risk consist principally of temporary cash investments, appropriations receivable, and investments in U.S. Treasuries. The Assessor places temporary cash investments with a federally insured financial institution. Appropriations receivable are from the tax collector. The Assessor does not require collateral to secure such amounts. The Assessor considers all receivables to be fully collectible; therefore, no allowance for doubtful accounts is needed. At times the Assessor invests in U.S. Treasuries, but the Assessor did not hold any investments in U.S. Treasuries at December 31, 2017.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the Assessor or its agent, in the Assessor's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department, or its agent in the Assessor's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in the Assessor's name, and deposits which are uninsured or uncollateralized.

At December 31, 2017, the carrying amount of the Assessor's deposits was \$7,851,329 and the bank balance was \$7,975,724. These deposits are secured from custodial credit risk by \$250,000 of federal deposit insurance (GASB Category 1) and \$6,530,338 of pledged securities held by the custodial bank in the Assessor's name (GASB Category 2). At December 31, 2017, the Assessor had \$1,195,386 invested in overnight repurchase agreements.

**(10) RISK MANAGEMENT**

The Assessor is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Assessor carries commercial insurance in amounts sufficient to insure itself against claims resulting from any of those risks.

**JEFFERSON PARISH ASSESSOR**  
**GRETNA, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017

**(11) NEW ACCOUNTING PRONOUNCEMENTS**

The GASB has issued Statement No. 75, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.*" The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. This Statement is effective for fiscal years beginning after June 15, 2017. The Assessor plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 85, "*Omnibus 2017.*" The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The Assessor plans to adopt this Statement as applicable by the effective date.

**REQUIRED SUPPLEMENTARY INFORMATION (PART II)**

**JEFFERSON PARISH ASSESSOR  
GRETN, LOUISIANA**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)
<b><u>REVENUES:</u></b>				
Intergovernmental revenues -				
compensation from taxing bodies	\$ 4,320,085	\$ 4,320,085	\$ 4,320,084	\$ (1)
Other income	2,000	2,000	3,015	1,015
Investment income	<u>5,000</u>	<u>5,000</u>	<u>8,668</u>	<u>3,668</u>
 Total revenues	 <u>4,327,085</u>	 <u>4,327,085</u>	 <u>4,331,767</u>	 <u>4,682</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
Salaries:				
Assessor	156,832	156,832	156,832	-
Deputies and others	2,029,049	2,029,049	1,918,319	110,730
Auto expense	40,000	20,000	10,543	9,457
Assessor's expense allowance	15,683	15,683	15,683	-
Dues and subscriptions	42,387	45,000	45,793	(793)
Data processing supplies	33,000	10,000	-	10,000
Data processing program expense	20,000	5,000	3,123	1,877
Employee benefits	450,000	450,000	411,952	38,048
Equipment rental	4,000	4,000	405	3,595
Insurance - general	19,136	25,000	20,252	4,748
Insurance - group	729,465	710,000	700,480	9,520
Office expense	255,000	235,000	171,528	63,472
Payroll taxes	39,979	39,978	34,623	5,355
Postage	60,000	110,000	73,817	36,183
Professional education	10,000	10,000	2,721	7,279
Professional fees	14,000	15,500	6,500	9,000
Repairs and maintenance	10,198	6,000	12,182	(6,182)
Telephone	2,000	6,000	4,432	1,568
Travel and lodging	<u>5,000</u>	<u>5,000</u>	<u>3,516</u>	<u>1,484</u>
 Total current expenditures	 <u>3,935,729</u>	 <u>3,898,042</u>	 <u>3,592,701</u>	 <u>305,341</u>
Capital outlay	<u>10,000</u>	<u>6,000</u>	<u>2,817</u>	<u>3,183</u>
 Total expenditures	 <u>3,945,729</u>	 <u>3,904,042</u>	 <u>3,595,518</u>	 <u>308,524</u>
 Net change in fund balance	 381,356	 423,043	 736,249	 313,206
Fund balance - beginning	<u>7,092,133</u>	<u>7,092,133</u>	<u>7,092,133</u>	<u>-</u>
Fund balance - ending	<u>\$ 7,473,489</u>	<u>\$ 7,515,176</u>	<u>\$ 7,828,382</u>	<u>\$ 313,206</u>

**See Independent Auditors' Report**

**JEFFERSON PARISH ASSESSOR**  
**GRETN, LOUISIANA**  
 SCHEDULE OF FUNDING PROGRESS FOR OPEB PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Cost	Unfunded AAL (UAAL)	Funded Ratio
	(a)	(b)	(b-a)	(a/b)
12/31/2017	\$ -	\$ 11,622,253	\$ 11,622,253	-
12/31/2016	\$ -	\$ 11,622,253	\$ 11,622,253	-
12/31/2015	\$ -	\$ 11,622,253	\$ 11,622,253	-
12/31/2014	\$ -	\$ 9,608,636	\$ 9,608,636	-

**See Independent Auditors' Report**

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA**  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
FOR THE YEAR ENDED DECEMBER 31, 2017\*

<u>Louisiana Assessor's Retirement Fund</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Assessor's Proportion of the Net Pension Liability	4.167054%	4.108940%	4.040500%
Assessor's Proportionate Share of the Net Pension Liability	\$ 731,197	\$ 1,449,921	\$ 2,114,486
Assessor's Covered-Employee Payroll	\$ 1,813,306	\$ 1,788,928	\$ 1,697,787
Assessor's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	40.32%	81.05%	124.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.61%	90.68%	85.57%

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

*\*The amounts presented for each year were determined as of the fiscal year end of the plan that occurred within the calendar year.*

**JEFFERSON PARISH ASSESSOR  
GRETN, LOUISIANA**  
SCHEDULE OF CONTRIBUTIONS - RETIREMENT PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Louisiana Assessor's Retirement Fund</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Contractually Required Contribution	\$ 184,071	\$ 218,941	\$ 230,563
Contributions in Relation to the Contractually Required Contribution	____(181,331)	____(218,941)	____(229,201)
Contribution Deficiency (Excess)	<u>\$ 2,740</u>	<u>\$ -</u>	<u>\$ 1,362</u>
Assessor's covered-employee payroll	\$ 1,848,190	\$ 1,725,874	\$ 1,689,195
Contributions as a Percentage of Covered-Employee Payroll	9.81%	12.69%	13.57%

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

**JEFFERSON PARISH ASSESSOR**  
**GRETNA, LOUISIANA**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2017

(1) **PENSION PLAN SCHEDULES**

**Change of Benefit Terms**

There were no changes of benefit terms during any of the years presented.

**Changes of Assumptions**

For the year ended December 31, 2017, the Louisiana Assessor's Retirement Fund lowered its assumption for the investment rate of return (discount rate) from 7.00% to 6.75%. There were no changes of assumptions for the year ended December 31, 2016. For the year ended December 31, 2015, the Louisiana Assessor's Retirement Fund lowered its assumption for the investment rate of return (discount rate) from 7.25% to 7.00%. Also in the year ended December 31, 2015, the inflation rate assumption was lowered from 2.75% to 2.50%, and the salary increase assumption was lowered from 6% to 5.75%.

**OTHER SUPPLEMENTARY INFORMATION**

**JEFFERSON PARISH ASSESSOR  
GRETNA, LA**  
 SCHEDULE OF COMPENSATION, BENEFITS, AND  
 OTHER PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2017

Thomas J. Capella, CLA

Salary	\$	156,832
Expense allowance		15,683
Benefits - insurance		18,655
Benefits - retirement		30,739
Continuing professional education fees - IAAO Conference		<u>190</u>
 Total compensation, benefits, and other payments	 \$	 <u><u>222,099</u></u>

**OTHER REPORT REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS***



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

Honorable Thomas J. Capella  
Jefferson Parish Assessor  
Gretna, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Jefferson Parish Assessor (the Assessor), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements, and have issued our report thereon dated May 21, 2018.

**Internal Control over Financial Reporting**

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

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

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



Honorable Thomas J. Capella  
Jefferson Parish Assessor  
May 21, 2018

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Assessor’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

May 21, 2018  
New Orleans, Louisiana

A handwritten signature in black ink, appearing to read "Erickson Krentel".

Certified Public Accountants

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**A. SUMMARY OF AUDIT RESULTS**

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Jefferson Parish Assessor.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Jefferson Parish Assessor were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No management letter was issued for the year ended December 31, 2017.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no findings related to the financial statements for the year ended December 31, 2017.

**JEFFERSON PARISH ASSESSOR**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no findings related to the financial statements for the year ended December 31, 2016.

**JEFFERSON PARISH ASSESSOR**  
**GRETNA, LOUISIANA**  
**STATEWIDE AGREED-UPON PROCEDURES**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2017**



**ERICKSEN KRENTEL**<sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

Honorable Thomas J. Capella  
Jefferson Parish Assessor  
Gretna, Louisiana

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

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*. 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.

This report is intended solely for the information and use of the specified parties and is not intended to be and should not be used by anyone other than those specified parties. 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.

May 21, 2018  
New Orleans, Louisiana

Certified Public Accountants

**JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
AGREED-UPON PROCEDURES  
DECEMBER 31, 2017**

**WRITTEN POLICIES AND PROCEDURES**

1. **Procedures:** Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.
  - 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, including receiving, recording, and preparing deposits.
  - 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, and (5) monitoring card usage.
  - 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. Note: Ethics requirements are not applicable to nonprofits.
  - j) Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Results:** The written policies and procedures entirely address the functions listed above, except for debt service and credit cards, which are not applicable to the Assessor.

JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
AGREED-UPON PROCEDURES (CONTINUED)  
DECEMBER 31, 2017

**BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)**

2. **Procedures:** Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
  - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

**Results:** Not applicable. The Assessor has no managing board.

**BANK RECONCILIATIONS**

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

**Results:** Obtained a listing of client bank accounts from management and management's representation that the listing was complete.

4. **Procedures:** Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
AGREED-UPON PROCEDURES (CONTINUED)  
DECEMBER 31, 2017

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

**Results:** Bank reconciliations were prepared for every month. There was no evidence of approval of each reconciliation. There were no reconciling items that were outstanding for more than 6 months.

**COLLECTIONS**

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

**Results:** Obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing was complete.

- 6. **Procedures:** Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

JEFFERSON PARISH ASSESSOR  
GRETNA, LOUISIANA  
AGREED-UPON PROCEDURES (CONTINUED)  
DECEMBER 31, 2017

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

**Results:** The entity maintains insurance policies that cover employee theft. The person responsible for collecting cash is not responsible for depositing the cash in the bank or reconciling the bank account; however, she does record the related transactions. There are no cash registers as the entity only accepts checks. The entity has a formal process to reconcile its significant cash collections to the general ledger by a person who is not responsible for cash collections. All collections tested were deposited within one day. Cash collections tested were completely supported by documentation.

7. **Procedures:** Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

**Results:** The entity has a process to determine completeness of all collections by a person who is not responsible for collections.

**DISBURSEMENTS – GENERAL (EXCLUDING CREDIT CARD/DEBIT CARD/FUEL CARD/P-CARD PURCHASES OR PAYMENTS)**

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

**Results:** Obtained a listing of entity disbursements from management and management's representation that the listing was complete.

9. **Procedures:** Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

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AGREED-UPON PROCEDURES (CONTINUED)  
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- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

**Results:** Purchases of equipment were initiated using a purchase order system. Purchase orders were approved by a person who did not initiate the purchase. Payments for purchases of equipment were not processed without an approved purchase order, receiving report, and an approved invoice.

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

**Results:** The person responsible for processing payments can add vendors to the vendor list; however, all invoices must be approved and all checks are signed by the Assessor.

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

**Results:** Persons with signatory authority have no responsibility for initiating or recording purchases.

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

**Results:** Unused checks are stored in a locked location.

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

**Results:** Not applicable.

**CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS**

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

**Results:** Not applicable, the entity does not use credit cards, bank debit cards, fuel cards or P-cards.

15. **Procedures:** Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

- a) Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:
- b) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
- c) Report whether finance charges and/or late fees were assessed on the selected statements.

**Results:** Not applicable, the entity does not use credit cards, bank debit cards, fuel cards or P-cards.

16. **Procedures:** Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

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- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased).
  - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
  - Other documentation that may be required by written policy (e.g., purchase order, written authorization).
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**Results:** Not applicable, the entity does not use credit cards, bank debit cards, fuel cards or P-cards.

**TRAVEL AND EXPENSE REIMBURSEMENT**

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

**Results:** Obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period and management's representation that the listing was complete.

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

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**Results:** No amounts in the policies and procedures related to per diem and mileage exceeded GSA rates.

19. **Procedures:** Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:
  - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
  - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
  - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** Each expense tested was supported by original itemized receipts and documentation of the business purpose. Each expense tested was approved in writing by someone not receiving the reimbursement or expending the funds.

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CONTRACTS

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

**Results:** Obtained a listing of all contracts in effect during the fiscal period and management's representation that the listing was complete.

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

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
  - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).
  - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

**Results:** Each contract tested had a formal/written contract that supports the services arrangement and the amounts paid. Public Bid Law is not applicable to any contracts tested, however, the entity did receive quotes for the contracts tested. One contract was amended to increase the internet speed and security provided to the Assessor for an additional \$233 per month. This amendment was contemplated in the original contract terms. All invoices tested complied with the written contracts.

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**PAYROLL AND PERSONNEL**

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

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

**Results:** Obtained a listing of employees with their related salaries and management's representation that the listing was complete. Payments were made in strict accordance with the terms and conditions of the applicable pay rate structures. Changes to hourly pay rates/salaries were approved in writing and in accordance with written policy.

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

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

**Results:** Daily attendance and leave were documented by employees who earn leave. There was documentation that supervisors approved the attendance and leave of the selected employees. The entity retained written leave documentation.

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

**Results:** The only termination payment made during 2017 was made in strict accordance with policy and was approved by management.

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

**Results:** Employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

**ETHICS**

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

**Results:** Ethics training was completed by all employees tested.

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

**Results:** No alleged ethics violations were reported to the entity during the fiscal period.

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AGREED-UPON PROCEDURES (CONTINUED)  
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**OTHER**

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

**Results:** No misappropriations of public funds or assets noted.

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

**Results:** Notice is posted on the website and premises of the entity.

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

**Results:** No exceptions noted.

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CORRECTIVE ACTION PLAN – AGREED-UPON PROCEDURES  
DECEMBER 31, 2017

May 29, 2018

Louisiana Legislative Auditor

The Jefferson Parish Assessor respectfully submits the following corrective action plan for items identified pursuant to the Statewide Agreed-Upon Procedures Engagement prescribed by you.

Name and address of independent public accounting firm:

Ericksen Krentel LLP  
4227 Canal Street  
New Orleans, LA 70119

Engagement Period: January 1, 2017 – December 31, 2017

The exceptions from the Statewide Agreed-Upon Procedures Report are discussed below:

**Bank Reconciliations**

**Exceptions:** There was no evidence of approval of each reconciliation.

**Collections**

**Exceptions:** One employee is responsible for collecting checks and recording the related transaction.

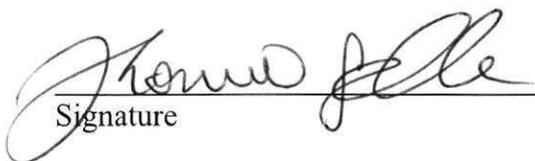
**Disbursements – General (Excluding Credit Card/Debit Card/Fuel Card/P-Card Purchases Or Payments)**

**Exceptions:** The person responsible for processing payments can add vendors to the vendor list; however, all invoices must be approved and all checks are signed by the Assessor.

**Management's Response to Exceptions:** Management has noted and agrees with the above exceptions. Management will consider the effects of such exceptions and the need to enhance key controls or compensating controls in the identified areas.

If there are any questions regarding this plan, please contact Thomas J. Capella, Assessor, at 504-362-4100.

Sincerely,

  
\_\_\_\_\_  
Signature

Assessor  
\_\_\_\_\_  
Title