

WEST BATON ROUGE PARISH SHERIFF

FINANCIAL REPORT

JUNE 30, 2019

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INDEPENDENT AUDITORS' REPORT

Honorable Mike Cazes
West Baton Rouge Parish Sheriff
Port Allen, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Baton Rouge Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff'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 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 of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, each major fund, and the aggregate remaining information of the West Baton Rouge Parish Sheriff as of June 30, 2019, and the respective changes in financial position, thereof 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 schedules, the schedule of changes in net OPEB liability and related ratios, the schedule of the Sheriff's proportionate share of the net pension liability, and the schedule of West Baton Rouge Parish Sheriff's contributions on pages 4 through 9, 37 through 41, respectively, 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 Sheriff's basic financial statements. The combining and individual non-major fund financial statements, the Sheriff's sworn statement, and the schedule of compensation, benefits and other payments to agency head or chief executive officer presented on pages 42 through 46 are presented for the purposes of additional analysis and are not part of the basic financial statements. The combining and individual non-major fund financial statements, the Sheriff's sworn statement, and the schedule of compensation, benefits and other payments to agency head or chief executive officer is the responsibility of management and was derived from and relate 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 25, 2019 on our consideration of West Baton Rouge Parish Sheriff'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 effectiveness of the West Baton Rouge Parish Sheriff's 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 Sheriff's internal control over financial reporting and compliance.

Diez, Dupuy & Ruiz
Gonzales, Louisiana
November 25, 2019

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

This section of West Baton Rouge Sheriff's annual financial report presents our discussion and analysis of the Sheriff's financial performance during the fiscal year that ended on June 30, 2019. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

FINANCIAL HIGHLIGHTS

- The Sheriff's total net position increased \$87,507 or 1.5 percent over the course of this year's operations.
- Expenses for the year were \$20,811,625, a decrease of \$207,403 from prior year.
- During the year, the Sheriff's governmental funds expenditures were \$212,111 less than the \$20.3 million generated in ad valorem taxes, charges for services, operating grants for intergovernmental programs and other financing sources.
- The general fund reported a deficit this year of \$49,364.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the financial statements, and required supplementary information, and other supplementary information. The financial statements include two kinds of statements that present different views of the Sheriff:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Sheriff's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Sheriff's government, reporting the Sheriff's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - Fiduciary fund statements provide information about the financial relationships in which the Sheriff acts solely as agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the Sheriff's financial statements, including the portion of the Sheriff's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Figure A-1			
	Government-wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire Sheriff government (except fiduciary funds)	The activities of the Sheriff that are not proprietary or fiduciary, such as public safety	Instances in which the Sheriff is the trustee or agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary net position
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the Sheriff's funds do not currently contain capital assets, although they can
Type of Inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Government-wide Statements

The government-wide statements report information about the Sheriff as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Sheriff's net position and how they have changed. Net position—the difference between the Sheriff's assets and liabilities—is one way to measure the Sheriff's financial health, or position.

- Over time, increases or decreases in the Sheriff's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Sheriff you need to consider additional nonfinancial factors such as changes in the Sheriff's property tax base and growth of West Baton Rouge Parish.

The government-wide financial statements of the Sheriff include:

- Governmental activities—most of the Sheriff's basic services are included here, such as police. Ad valorem taxes, state and federal grants, and fees, charges, and commissions for services finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Sheriff's most significant funds, not the Sheriff as a whole. Funds are accounting devices that the Sheriff uses to keep track of specific sources of funding and spending for particular purposes.

The Sheriff has two kinds of funds:

- Governmental funds – The Sheriff's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Sheriff's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- Fiduciary funds—These funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, and litigants in suits, in the manner prescribed by law. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. We exclude these activities from the Sheriff's government-wide financial statements because the Sheriff cannot use these assets to finance its operations.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

Net position. The Sheriff's net position increased between fiscal years 2019 and 2018 to a deficit of approximately \$5.5 million. (See Table A-1.)

Table A-1
Sheriff's Net Position

	Governmental Activities	
	June 30, 2019	June 30, 2018
Current and other assets	\$ 12,017,114	\$ 11,882,245
Capital assets, net	4,926,634	5,240,302
Total assets	16,943,748	17,122,547
Deferred outflows of resources	4,027,219	2,391,249
Total assets and deferred outflows of resources	20,970,967	19,513,796
Current liabilities	921,208	861,143
Noncurrent liabilities	23,649,927	22,950,439
Total liabilities	24,571,135	23,811,582
Deferred inflows of resources	1,892,791	1,282,680
Total liabilities and deferred inflows of resources	26,463,926	25,094,262
Net position		
Net investment in capital assets	4,098,154	4,109,819
Restricted for grants	10,964	10,748
Unrestricted deficit	(9,602,077)	(9,701,033)
Total net position	\$(5,492,959)	\$(5,580,466)

Net position of the Sheriff's governmental activities increased 1.5 percent to a deficit of approximately \$5.5 million.

Changes in net position. The Sheriff's total revenues increased by 1.0 percent. (See Table A-2.) Approximately 33 percent of the Sheriff's revenue comes from ad valorem tax collections from West Baton Rouge Parish. Charges for services represent 33 percent, and the remaining 34 percent is comprised of other intergovernmental revenue and commission, miscellaneous revenues and interest.

The total cost of all programs and services decreased \$207,403. The Sheriff's expenses cover all services performed by its office.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Governmental Activities

Revenues for the Sheriff's governmental activities increased 1.0 percent to \$20.9 million while total expenses decreased \$207,403.

Table A-2
Changes in Sheriff's Net Position

	Governmental Activities	
	June 30, 2019	June 30, 2018
Revenues		
Program revenues		
Charges for services	\$ 6,892,217	\$ 7,045,388
Operating grants and contributions	5,937,223	6,171,138
Capital grants and contributions	142,094	115,169
General revenues		
Taxes	6,869,429	6,462,146
Interest	216,927	70,732
Non-employer contributions to pension plan	586,775	552,565
Miscellaneous	254,467	279,310
Total revenues	20,899,132	20,696,448
Expenses		
Public Safety	20,756,445	20,968,273
Interest	55,180	50,755
Total expenses	20,811,625	21,019,028
Increase (decrease) in net position	\$ 87,507	\$ (322,580)

FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

As the Sheriff completed the year, its governmental funds reported a fund balance of \$11,519,176, an increase from last year of \$212,111. The general fund reported a deficit of \$49,364 and fund balance of \$2,672,549. The work release center fund reported a surplus of \$241,121 and fund balance of \$8,685,345.

Budgetary Highlights

Over the course of the year, the Sheriff did amend the general fund and work release center budgets. The general fund budget amendments reflect an increase in revenues and other financing sources and expenditures from the current budget of \$652,187 and \$126,490, respectively. The work release center budget amendments reflect an increase in revenues and expenditures from the current budget of \$129,792 and \$96,087, respectively.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

LONG-TERM LIABILITIES

At June 30, 2019 the Sheriff had the following long-term liabilities outstanding as follows:

Long-Term Liabilities at Year End		
	2019	2018
Capital lease obligations	\$ 828,480	\$ 1,130,483
Other post-employment benefit liability	16,722,452	15,060,496
Net pension liability	5,511,475	6,027,823
Compensated absences	1,095,350	1,099,948
Total	\$ 24,157,757	\$ 23,318,750

CAPITAL ASSETS

At the end of 2019, the Sheriff had \$4,926,634 invested in capital assets, net, including law enforcement vehicles and equipment, buildings and land. (See Table A-3.)

Table A-3
Sheriff's Capital Assets
(net of depreciation)

	Governmental Activities	
	June 30, 2019	June 30, 2018
Construction in progress	\$ 40,994	\$ -
Land	446,331	446,331
Buildings	3,153,305	3,255,506
Equipment and Vehicles	1,286,004	1,538,465
Total	\$ 4,926,634	\$ 5,240,302

This year's major capital assets additions include vehicles totaling \$188,864 and construction in progress for a new building totaling \$40,994. The major capital asset deletions include vehicles totaling \$165,259.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Sheriff is dependent on ad valorem taxes for approximately 36 percent of its total revenues. The economy is not expected to generate any significant growth. The 2019 budget includes amounts available for appropriations of approximately \$32 million. Property taxes are not expected to significantly increase. Budgeted expenditures for 2020 are expected to be consistent with 2019.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Sheriff's finances and to demonstrate the Sheriff's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the West Baton Rouge Parish Sheriff's Office, PO Box 129, Port Allen, LA 70346.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS

Cash and cash equivalents	\$ 9,047,123
Receivables	650,408
Certificates of deposit	2,000,025
Due from other funds	302,944
Due from others	16,614
Capital assets:	
Non-depreciable	446,331
Depreciable, net	4,480,303
Total assets	<u>16,943,748</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows, pension related	3,069,414
Deferred outflows, other post-employment benefit related	957,805
Total deferred outflows of resources	<u>4,027,219</u>

Total assets and deferred outflows of resources \$ 20,970,967

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

LIABILITIES

Accounts payable	\$ 357,465
Accrued liabilities	20,794
Due to others	35,119
Long-term liabilities:	
Due within one year	507,830
Due in more than one year	1,416,000
Other post-employment benefit liability	16,722,452
Net pension liability	5,511,475
Total liabilities	<u>24,571,135</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows, pension related	1,892,791
Total deferred inflows of resources	<u>1,892,791</u>

NET POSITION

Net investment in capital assets	4,098,154
Restricted for grants	10,964
Unrestricted deficit	(9,602,077)
Total net position	<u>(5,492,959)</u>

Total liabilities, deferred inflows of resources, and net position \$ 20,970,967

The accompanying notes are an integral part of this financial statement.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

STATEMENT OF ACTIVITIES
JUNE 30, 2019

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:					
Public Safety	\$ 20,756,445	\$ 6,892,217	\$ 5,937,223	\$ 142,094	\$ (7,784,911)
Interest	55,180	-	-	-	(55,180)
Total governmental activities	\$ 20,811,625	\$ 6,892,217	\$ 5,937,223	\$ 142,094	\$ (7,840,091)
General Revenues:					
Ad valorem taxes					6,869,429
Interest					216,927
Non-employer contributions to pension plan					586,775
Miscellaneous					254,467
Total general revenues					7,927,598
Change in net position					87,507
Net position- July 1, 2018					(5,580,466)
Net position- June 30, 2019					\$ (5,492,959)

The accompanying notes are an integral part of this financial statement.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2019

	<u>General Fund</u>	<u>Work Release Center Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2,488,791	\$ 6,399,085	\$ 159,247	\$ 9,047,123
Receivables	472,529	177,879	-	650,408
Certificates of deposit	-	2,000,025	-	2,000,025
Due from other funds	44,721	233,109	25,114	302,944
Due from others	200	16,414	-	16,614
Total assets	<u>\$ 3,006,241</u>	<u>\$ 8,826,512</u>	<u>\$ 184,361</u>	<u>\$ 12,017,114</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 225,644	\$ 111,284	\$ 20,537	\$ 357,465
Accrued liabilities	18,252	-	2,542	20,794
Compensated absences payable	58,873	25,687	-	84,560
Due to others	30,923	4,196	-	35,119
Total liabilities	<u>333,692</u>	<u>141,167</u>	<u>23,079</u>	<u>497,938</u>
<u>FUND BALANCE</u>				
Restricted for grants	-	-	10,964	10,964
Assigned	-	8,685,345	150,318	8,835,663
Unassigned	2,672,549	-	-	2,672,549
Total fund balance	<u>2,672,549</u>	<u>8,685,345</u>	<u>161,282</u>	<u>11,519,176</u>
Total liabilities and fund balance	<u>\$ 3,006,241</u>	<u>\$ 8,826,512</u>	<u>\$ 184,361</u>	<u>\$ 12,017,114</u>

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total fund balances at June 30, 2019 - Governmental Funds		\$ 11,519,176
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred outflow - pension related		3,069,414
Deferred outflows, other post-employment benefit related		957,805
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds		
Cost of capital assets at June 30, 2019	\$ 11,054,879	
Less: accumulated depreciation as of June 30, 2019	<u>(6,128,245)</u>	4,926,634
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in governmental funds		
Capital lease liability		(828,480)
Compensated absences payable		(1,010,790)
Other post-employment benefit liability		(16,722,452)
Net pension liability		(5,511,475)
Deferred inflows, pension related		<u>(1,892,791)</u>
Total net position at June 30, 2019 - Governmental Activities		<u>\$ (5,492,959)</u>

The accompanying notes are an integral part of this financial statement.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Work Release Center Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<u>REVENUES</u>				
Ad valorem taxes	\$ 6,869,429	\$ -	\$ -	\$ 6,869,429
Intergovernmental revenues:				
Federal grants	376,415	-	-	376,415
State grants:				
State revenue sharing (net)	63,534	-	-	63,534
State supplemental pay	484,197	-	-	484,197
Dare Grant	3,187	-	-	3,187
Other state and local grants and contributions	5,151,984	-	-	5,151,984
Fees, charges, and commissions for services:				
Commissions on State Revenue Sharing	72,603	-	-	72,603
Civil and criminal fees	1,910,908	2,891,344	-	4,802,252
Court attendance	6,868	-	-	6,868
Court costs	19,942	-	-	19,942
Feeding and keeping prisoners	-	1,480,231	-	1,480,231
Miscellaneous commissions	-	-	4,238	4,238
Use of money and property:				
Interest	58,019	156,018	2,890	216,927
Sale of Merchandise	-	182,736	323,347	506,083
Miscellaneous	231,847	-	-	231,847
Total Revenues	<u>15,248,933</u>	<u>4,710,329</u>	<u>330,475</u>	<u>20,289,737</u>
<u>EXPENDITURES</u>				
Public safety:				
Personal services and related benefits	13,186,987	3,262,440	-	16,449,427
Operating services	1,251,771	868,961	55,163	2,175,895
Material and supplies	282,530	138,398	12,456	433,384
Travel and training	74,058	4,524	-	78,582
Capital outlay	278,661	18,933	5,222	302,816
Purchase of merchandise for resale	-	65,679	237,280	302,959
Debt Service				
Principal	204,620	97,383	-	302,003
Interest	42,290	12,890	-	55,180
Total Expenditures	<u>15,320,917</u>	<u>4,469,208</u>	<u>310,121</u>	<u>20,100,246</u>
(Deficiency) Excess of Revenues over Expenditures	<u>(71,984)</u>	<u>241,121</u>	<u>20,354</u>	<u>189,491</u>
<u>OTHER FINANCING SOURCES</u>				
Proceeds from sale of assets	22,620	-	-	22,620
Total other financing sources	<u>22,620</u>	<u>-</u>	<u>-</u>	<u>22,620</u>
Net change in fund balance	<u>(49,364)</u>	<u>241,121</u>	<u>20,354</u>	<u>212,111</u>
Fund Balance at beginning of year	<u>2,721,913</u>	<u>8,444,224</u>	<u>140,928</u>	<u>11,307,065</u>
Fund Balance at end of year	<u>\$ 2,672,549</u>	<u>\$ 8,685,345</u>	<u>\$ 161,282</u>	<u>\$ 11,519,176</u>

The accompanying notes are an integral part of this statement.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Total Net Changes in Fund Balances for the year ended June 30, 2019 \$ 212,111

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital outlay included in expenditures	302,816	
Depreciation expense for year ended June 30, 2019	<u>(594,191)</u>	(291,375)

In the statement of activities, only the gain or loss on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the difference in cost and accumulated depreciation of disposed assets. (22,293)

Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which payments exceeded proceeds.

Payments on capital leases	<u>302,003</u>	302,003
Changes in compensated absences payable		6,810
Changes in other post-employment benefit liability		(594,641)
Non-employer contributions to pension plan		586,775
Pension benefit		<u>(111,883)</u>

Change in Net Position - Governmental Activities \$ 87,507

The accompanying notes are an integral part of this financial statement.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 988,758
Total assets	<u>\$ 988,758</u>
<u>LIABILITIES</u>	
Due to other funds	\$ 302,944
Due to taxing bodies and others	685,814
Total liabilities	<u>\$ 988,758</u>

The accompanying notes are an integral part of this financial statement.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the sheriff is responsible for collecting and distributing ad valorem property taxes, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

A. BASIS OF PRESENTATION BASIS OF ACCOUNTING

BASIS OF PRESENTATION

The accompanying financial statements of the West Baton Rouge Parish Sheriff have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS):

The statement of net position and the statement of activities display information about the primary government (the Sheriff). These statements include the financial activities of the overall government, except for fiduciary activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions should be recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions should be recognized in accordance with the requirements of GASB Codification Section N50.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. BASIS OF PRESENTATION BASIS OF ACCOUNTING (continued)

FUND FINANCIAL STATEMENTS (FFS):

The fund financial statements provide information about the Sheriff's funds, including its fiduciary funds. Separate statements for each fund category- governmental and fiduciary- are presented. The emphasis of fund financial statements is on major governmental funds.

The Sheriff reports the following major governmental funds:

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary sources of revenue are ad valorem taxes levied by the law enforcement district and reimbursements from the parish council. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance, and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

Special Revenue

The Work Release Center fund is used to account for the work done by prisoners in private businesses.

Additionally, the Sheriff reports the following fund types:

Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

B. REPORTING ENTITY

For financial reporting purposes, the Sheriff's basic financial statements include all funds that are controlled by the Sheriff as an independently elected Parish official. As an independently elected official, the Sheriff is solely responsible for the operations of his office. Other than certain operating expenditures of the Sheriff that are paid or provided by the West Baton Rouge Parish Council (the Parish Council) as required by Louisiana Law, the Sheriff is financially independent. Accordingly, the Sheriff is a primary government for reporting purposes.

The criteria for including organizations as component units within the Sheriff's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include items such as whether the organization is legally separate, whether the Sheriff appoints a voting majority of the organization's board, whether the Sheriff is able to impose his will on the organization, etcetera. The Sheriff does not have any component units.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

The Governmental Wide Financial Statements (GWFS) and fiduciary fund statements are reported using the economic resources measurement focus. The government wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Sheriff gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Sheriff considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, intergovernmental revenues, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

D. INTERFUND ACTIVITY

Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government wide financial statements.

E. BUDGET PRACTICES

The proposed budget for the year ended June 30, 2019, was made available for public inspection and comments from taxpayers at the Sheriff's office during June 2018. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 10 days prior to the public hearing, which was held at the Sheriff's office, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the Sheriff.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance. Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit accounts, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and other investments with original maturities of 90 days or less. Under state law, the Sheriff may deposit funds in demand deposit accounts, interest bearing demand deposit accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. COMPENSATED ABSENCES

Effective January 1, 2018, the Sheriff has the following policy relating to paid time off (PTO):

- PTO is given to all full-time employees annually in a lump sum on their hire/anniversary date. The PTO given to employees at hire/anniversary date is determined on a graduated scale based on employee's years of service and ranges from one week to eight weeks.
- PTO leave can be accumulated and allowed to carry over year to year up to a maximum of 400 hours.
- PTO hours in excess of 400 hours will be forfeited and lost on hire/anniversary date.
 - There is a one-time exception. Accumulated leave in excess of the 400 hours prior to the effective date of the new policy will be grandfathered in and locked as of December 31, 2017. The balance grandfathered in and locked as of December 31, 2017 will be available to employees at any time during their employment.
- A maximum of 400 hours of accumulated PTO will only be paid at the time of an employee's retirement or death.

H. CAPITAL ASSETS

All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual cost is not available. Donated fixed assets are recorded at their fair value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	39
Vehicles	4-5
Equipment	7
Software	3

I. RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions. To handle such risk of loss, the Sheriff maintains commercial insurance policies, workers' compensation insurance, and surety bond coverage. There were no significant reductions in insurance coverage during the year ended June 30, 2019.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. NET POSITION IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use either:

Net investment in capital assets - This component consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.

Restricted net position - This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws, or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - This component consists of all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

K. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the Sheriff's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Sheriff's highest level of decision-making authority.

Assigned - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Sheriff's office reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Sheriff's office reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The Sheriff has two items that qualifies for this category; pension and other post-employment benefits related deferrals, which are reported in the government-wide statement.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at that time. The Sheriff has one item that qualifies for this category; pension related deferrals. These amounts are recognized as an inflow of resources in the period that the amounts become available.

M. PENSION PLANS

The West Baton Rouge Parish Sheriff's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 9. 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 each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

N. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates

O. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Sheriff provides certain continuing health care and life insurance benefits for its retired employees. The Sheriff recognized the cost of providing these retiree benefits as expenditures in the fund financial statements when paid during the year.

P. RECLASSIFICATIONS

Certain amounts in the June 30, 2019 financial statements have been reclassified to conform to the current year presentation. The reclassification has no effect on the change in net position for 2019.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

2. CASH AND CASH EQUIVALENTS

At June 30, 2019, the Sheriff has unrestricted cash and cash equivalents (book balances) as follows:

Governmental Funds:	
Petty Cash	\$ 1,351
Interest bearing and non-interest bearing demand deposits	<u>9,045,772</u>
Total governmental funds	<u>9,047,123</u>
Fiduciary Funds:	
Interest bearing demand deposits	<u>988,758</u>
Total fiduciary funds	<u>988,758</u>
Total	<u>\$ 10,035,881</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

Custodial credit risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At June 30, 2019, the government's bank balance of \$10,098,529 was not exposed to custodial credit.

3. CERTIFICATES OF DEPOSIT

The Sheriff holds two certificates of deposit at local financial institutions. The certificates of deposit have a maturity of 12 and 24 months and interest rates that range from 1.75% to 2.15%. The following is a summary of the Sheriff's certificates of deposit at book value as of June 30, 2019:

Governmental Funds:	
Certificates of deposit	<u>\$ 2,000,025</u>
Total governmental funds	<u>\$ 2,000,025</u>

These deposits are stated at cost, which approximates market. Under state law, this deposit (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. As of June 30, 2019, the certificates of deposit were not exposed to custodial risk.

4. RECEIVABLES

The accounts receivables at June 30, 2019 are as follows:

<u>Class of Receivable</u>	
Local	\$ 215,598
State	422,008
Federal	<u>12,802</u>
Total	<u>\$ 650,408</u>

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

5. AD VALOREM TAXES

The Sheriff is the ex-officio tax collector of the Parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied in October and billed to the taxpayers in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of West Baton Rouge Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's and legislative pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2019, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 16.10 mills on property with assessed valuations totaling \$427,957,220.

The sheriff has authorized and levied an ad valorem tax of 16.10 mills.

6. DEFERRED COMPENSATION PLAN

The Sheriff participates in the State of Louisiana Deferred Compensation Plan, (an IRC 457 deferred compensation plan). The plan covers all full-time employees. The Sheriff matches 25% to 100% of employee contributions based on years of service. The Sheriff's contributions for the years ending June 30, 2019 and 2018 were \$387,802 and \$326,877, respectively.

7. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities transactions of the West Baton Rouge Sheriff for the year ended June 30, 2019:

<i>Governmental Activities:</i>	Balance 7/1/2018	Additions	Reductions	Balance 6/30/2019	Due within One Year
Capital lease obligations	\$ 1,130,483	\$ -	\$ 302,003	\$ 828,480	\$ 423,270
Compensated absences	1,099,948	90,069	94,667	1,095,350	84,560
OPEB	15,060,496	1,990,989	329,033	16,722,452	-
Net pension liability	6,027,823	-	516,348	5,511,475	-
Total	<u>\$23,318,750</u>	<u>\$2,081,058</u>	<u>\$1,242,051</u>	<u>\$24,157,757</u>	<u>\$ 507,830</u>

The following is a summary of future minimum lease payments under the capital leases and the present value of the net minimum lease payments as of June 30, 2019.

Year ending June 30 th	
2020	\$ 459,141
2021	261,264
2022	165,835
Future minimum lease payments	886,240
Less: Amount representing interest	(57,760)
Present value of net minimum payments	<u>\$ 828,480</u>

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

8. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2019, is as follows:

Governmental
Activities:

	<u>Land</u>	<u>Construction In Progress</u>	<u>Building</u>	<u>Vehicles and Equipment</u>	<u>Total</u>
Cost of Capital					
Assets June 30, 2018	\$ 446,331	\$ -	\$ 4,666,590	\$ 5,804,401	\$ 10,917,322
Additions	-	40,994	-	261,822	302,816
Deletions	-	-	-	(165,259)	(165,259)
Cost of Capital					
Assets June 30, 2019	<u>446,331</u>	<u>40,994</u>	<u>4,666,590</u>	<u>5,900,964</u>	<u>11,054,879</u>
Accumulated Depreciation					
June 30, 2018	-	-	1,411,084	4,265,936	5,677,020
Additions	-	-	102,201	491,990	594,191
Deletions	-	-	-	(142,966)	(142,966)
Accumulated Depreciation					
June 30, 2019	<u>-</u>	<u>-</u>	<u>1,513,285</u>	<u>4,614,960</u>	<u>6,128,245</u>
Capital Assets, net of Accumulated Depreciation					
June 30, 2019	<u>\$ 446,331</u>	<u>\$ 40,994</u>	<u>\$ 3,153,305</u>	<u>\$ 1,286,004</u>	<u>\$ 4,926,634</u>

For the year ended June 30, 2019, depreciation expense was \$594,191.

Capital Leases

The Sheriff has acquired various vehicles under capital lease obligations. The lease payments relating to the vehicles have been capitalized and included in vehicles and equipment on the accompanying government-wide financial statements. The leased vehicles have a cost of \$1,399,226 and accumulated amortization of \$588,448, which is included with accumulated depreciation, and has been recorded in the governmental activities. Amortization expense, which is included with depreciation expense, recognized on the leases as of June 30, 2019 was \$284,743 in the governmental activities.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. PENSION PLAN

Substantially all employees of the West Baton Rouge Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Louisiana Sheriff's Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225)219-0500

Plan Description:

The Louisiana Sheriff's Pension and Relief Fund is the administrator of a cost-sharing, multiple employer defined benefit plan. The plan provides retirement, disability and survivor benefits to employees of Sheriff's offices throughout the state of Louisiana, employees of the Louisiana Sheriff's Association and the Sheriff's Pension and Relief Fund's office as provided for in LRS 11:2171.

Members who joined the system on or before December 31, 2011, are eligible for regular retirement benefits upon attaining 30 years of creditable service at any age, or 12 years of creditable service and aged 55 years is entitled to retirement benefit payable monthly for life, equal to 3.33 percent of his final average compensation for each year of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least 10 years of creditable service may retire at age 60. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service. Members who joined the system on or after January 1, 2012, who retires at or after age 62 with at least 12 years of creditable service, at or after age 60 with at least 20 years of creditable service, or at 55 with 30 years of creditable service is entitled to a retirement benefit payable monthly for life, equal to 3.00 percent. For members with 30 or more years of service; the accrual rate is 3.33 percent. The retirement allowance is equal to the benefit accrual times the member's final average compensation each year of creditable service. In any case, the retirement benefit cannot exceed 100 percent of their final average salary.

Members with 20 or more years of service may retire with a reduced retirement at age 55. For members eligible on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest 36 consecutive months (60 highest consecutive months for member employed between July 1, 2006 and July 1, 2013) or joined months if service was interrupted. The earnings to be considered for each 12-month period within the 36-month (or 60 month) period shall not exceed 125% of the preceding 12 months. For members joining after July 1, 2013, final compensation is based on the average monthly earnings during the highest 60 consecutive months and the earnings to be considered for each 12-month period within the 60 months shall not exceed 115% of the preceding 12-month period.

A member is eligible to receive disability benefits if the member has at least 10 years of creditable service when a non-service related disability is incurred; there are no service requirements for a service related disability. Disability benefits shall be the lesser of a sum equal to the greatest of 45% of final average compensation or the members' accrued retirement benefit at the time of termination of employment due to disability, or the retirement benefit which would be payable assuming continued service to the earliest normal retirement age. Members who become partially disabled receive 75% of the amount payable for total disability.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. PENSION PLAN (continued)

Plan Description (continued):

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$ 150 per month. If a spouse is entitled to benefits and has a child or children under 18 years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than 4 children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit.

The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-two, if the child is a full-time student in good standing enrolled at a board approved or accredited school, college, or university.

The fund does provide for deferred benefits for vested members who terminate before being eligible for retirement. Benefits become payable once the member reaches the appropriate age for retirement.

In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. For those individuals with thirty or more years, the Back-DROP period is the lesser of four years or service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back- DROP period.

In addition, the member's Back-DROP account will be credited with employee contributions received by the retirement fund during the Back-DROP period. Participants have the option to opt out of this program and take a distribution, if eligible, or to rollover the assets to another qualified plan.

Cost of living provisions for the Fund allows the board of trustees to provide an annual cost of living increase of 2.5% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have attained the age of sixty and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

According to state statute, contribution requirements for all employers are actuarially determined each fiscal year. For the year ending June 30, 2018, the actual employer contribution rate was 12.75 percent.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. PENSION PLAN (continued)

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense. For the year ended June 30, 2019, the Sheriff recognized \$586,775 of non-employer contributions as revenue.

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary and the West Baton Rouge Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 12.25 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the West Baton Rouge Parish Sheriff 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. The West Baton Rouge Parish Sheriff's contributions to the System, for the years ending June 30, 2019, 2018, and 2017, were \$1,224,253, \$1,261,552, and \$1,278,134, respectively.

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

At June 30, 2019, the Sheriff reported a liability of \$5,511,475 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers actuarially determined. At June 30, 2018, the Sheriff's proportion was 1.4373%, which was an increase of 0.0453% from its proportion measured as of June 30, 2017.

At June 30, 2019, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (1,547,158)
Changes of assumptions	1,629,270	-
Net difference between projected and actual earnings on pension plan investments	-	(327,179)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	215,891	(18,454)
Employer contributions subsequent to the measurement date	1,224,253	-
Total	<u>\$ 3,069,414</u>	<u>\$ (1,892,791)</u>

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. PENSION PLAN (continued)

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

The Sheriff reported a total of \$1,224,253 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2018 which will be recognized as a reduction in net pension liability in the year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>LSRPF</u>
2019	\$ 350,880
2020	90,574
2021	(534,872)
2022	(21,958)
2023	67,746
	<u>\$ (47,630)</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 is as follows:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	6 years
Investment Rate of Return	7.25%, net of investment expense
Discount Rate	7.25%
Projected salary increases	5.5% (2.60% inflation, 2.90% merit)
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table for disabled annuitants.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. PENSION PLAN (continued)

Actuarial Assumptions (continued)

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 expense 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. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Real Return Arithmetic Basis	Long-Term Expected Real Rate of Return
Equity Securities	62%	6.9%	4.3%
Bonds	23%	3.2%	0.7%
Alternative investments	15%	4.5%	0.7%
Total	<u>100%</u>		<u>5.7%</u>
Inflation			<u>2.5%</u>
Expected Arithmetic Nominal Return			<u>8.2%</u>

Mortality Rate

The mortality rate assumptions were set after reviewing an experience study performed over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive 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.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

9. PENSION PLAN (continued)

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

The following table presents the Sheriff's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the Sheriff's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	1.0% Decrease	Current Discount Rate	1.0% Increase
LSPRF			
Rates	6.25%	7.25%	8.25%
WBRSO Share of NPL	\$ 12,473,205	\$ 5,511,475	\$ (349,505)

Amounts Payables to Pension Plan

The Sheriff had \$187,914 due to the pension fund at June 30, 2019.

10. POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (OPEB)

General Information about the OPEB Plan

Plan description – The West Baton Rouge Parish Sheriff's Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The West Baton Rouge Parish Sheriff's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Sheriff. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. The employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 12 years of service at any age. However, there is an additional retirement benefit payable for 20 or more years of service.

Life insurance coverage is provided to retirees in the flat amount of \$10,000 and the employer pays 100% of the "cost" of the retiree life insurance, but based on the blended rates (active and retired). There is therefore an implicit employer subsidy to the extent that the higher retiree rates are diluted by the lower active rates.

Employees covered by benefit terms – At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	35
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	184
	219

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

10. POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (OPEB) (continued)

Total OPEB Liability

The Sheriff's total OPEB liability of \$16,722,452 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Prior discount rate	3.62%
Discount rate	3.50%
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2019, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2019.

Changes in the Total OPEB Liability

Balance at June 30, 2018	\$ 15,060,496
Changes for the year:	
Service cost	328,992
Interest	551,145
Differences between expected and actual experience	809,803
Change in assumptions	301,049
Benefit payments and net transfers	(329,033)
Net changes	<u>1,661,956</u>
Balance at June 30, 2019	<u>\$ 16,722,452</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	<u>1.0% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1.0% Increase (4.50%)</u>
Total OPEB liability	<u>\$ 19,851,673</u>	<u>\$ 16,722,452</u>	<u>\$ 14,257,771</u>

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

10. POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (OPEB) (continued)

Changes in the Total OPEB Liability (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 14,244,502	\$ 16,722,452	\$ 19,845,432

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

For the year ended June 30, 2019, the Sheriff recognized OPEB expense of \$923,673. At June 30, 2019, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 669,845	\$ -
Change in assumptions	287,960	
Total	\$ 957,805	\$ -

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

Years ending June 30:	
2020	\$ 43,537
2021	43,537
2022	43,537
2023	43,537
2024	43,537
Thereafter	740,120
	\$ 957,805

11. LITIGATION AND CLAIMS

At June 30, 2019, the Sheriff was involved in several lawsuits. In the opinion of the Sheriff’s legal counsel, the ultimate resolution of these claims would not create a liability to the Sheriff in excess of existing insurance coverage.

12. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH COUNCIL

The Sheriff’s office is located in the parish courthouse. Expenditures for maintenance and operation of the parish courthouse, as required by state statute, are paid by the West Baton Rouge Parish Council and are not included in the accompanying financial statements.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

13. LEASE COMMITMENTS

The Sheriff leases vehicles under various leasing arrangements which qualify as operating leases. The lease payments are made on a monthly basis under scheduled terms that vary.

Management has estimated the future minimum lease payments under all of the non-cancellable lease agreements in effect at June 30, 2019 as follows:

<u>Year ending</u> <u>June 30,</u>	<u>Amount</u>
2020	\$ 17,369
2021	11,611
2022	8,038
	<u>\$ 37,018</u>

Lease payments made during the year ended June 30, 2019 totaled \$19,561 for the leases.

14. EX-OFFICIO TAX COLLECTOR

The amount of cash on hand at the end of the year was \$1,273.

As of June 30, 2019, the West Baton Rouge Parish Sheriff has collected all taxes assessed by the West Baton Rouge Parish Assessor for the 2018 tax year.

The amount of taxes collected for the current year by taxing authority is as follows:

West Baton Rouge Parish Assessor	\$ 1,053,838
Atchafalaya Levee District	1,716,370
West Baton Rouge Parish Drainage District	3,071,916
West Baton Rouge Parish Council	6,941,675
Louisiana Agriculture & Forestry Commission	3,959
West Baton Rouge Parish School Board	25,680,352
West Baton Rouge Parish Council on Aging	1,066,637
Louisiana Tax Commission	17,504
West Baton Rouge Parish Museum	853,310
West Baton Rouge Parish Sheriff	6,869,151
West Baton Rouge Parish Library	1,749,285
	<u>\$ 49,023,997</u>

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

15. DUE TO/FROM OTHER FUNDS

During the year, the general fund records receivables for its portion of fines, taxes, bonds or fees collected by these funds and due to others for any advances to these funds. Individual balances due to/from other funds at June 30, 2019 are as follows:

	Due to Other Funds	Due From Other Funds
Major Governmental Funds:		
General Fund	\$ -	\$ 44,721
Work Release Center	-	233,109
Subtotal – Major Governmental Funds	-	277,830
Non-Major Governmental Funds:		
Prisoner Welfare Fund	-	25,114
Subtotal – Non-Major Governmental Funds	-	25,114
Fiduciary Funds:		
Inmate Account (Jail)	25,114	-
Inmate Account (WRC)	233,109	-
Clearing Account	44,023	-
Tax Collector	698	-
Subtotal- Fiduciary Funds	302,944	-
 TOTAL	\$ 302,944	\$ 302,944

16. CHANGES IN FIDUCIARY NET POSITION

A summary of changes in fiduciary net position due to taxing bodies and others is as follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Agency funds:				
Tax Collector Fund	\$ 2,660	\$ 49,795,475	\$ 49,796,862	\$ 1,273
Clearing Account	190,006	904,903	886,802	208,107
Work Release – Inmate	520,276	4,860,683	4,805,787	575,172
Inmate Account – Jail	105,564	1,312,830	1,243,053	175,341
Work Release – Trustee	17,405	133,428	121,968	28,865
Civil Account	-	1,706,228	1,706,228	-
Total	\$ 835,911	\$ 58,713,547	\$ 58,560,700	\$ 988,758

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

17. TAX ABATEMENTS

The local government is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the “State Board”), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Industrial Tax Exemption Program (“ITEP”). For the year ending June 30, 2019, the government participated in the Industrial Tax Exemption Program.

Under the ITEP, as authorized by *Article 7, Section 21(F) of the Louisiana Constitution and Executive Order Number JBE 2016-73*, companies that qualify as manufacturers can apply to the State Board for a property tax exemption on all new property, as defined, used in the manufacturing process. Under the ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. Under the original program guidelines, the exemptions are granted for a 5-year term and are renewable for an additional 5-year term upon approval by the State Board. Effective June 24, 2016 the term of the exemption contract which shall be for up to, but no more than five years and may provide for an ad valorem exemption of up to 100 percent and terms for renewal may be included provided that the renewal of the contract shall be for a period up to, but no more than three years and may provide for an ad valorem tax exemption of up to, but no more than 80 percent. In the case of the local government, these state-granted abatements have resulted in reductions of property taxes, which the tax assessor administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement.

Taxes abated for the fiscal year ended June 30, 2019 were as follows:

	<u>Total</u>
Tax Abatement Program	
Industrial Tax Exemption Program	\$ 4,825,803
	<u>\$ 4,825,803</u>

18. SUBSEQUENT EVENTS

In preparing the financial statements, the West Baton Rouge Parish Sheriff has evaluated events and transactions for potential recognition or disclosure through November 25, 2019, and has determined that no events occurred that require disclosure.

REQUIRED
SUPPLEMENTARY INFORMATION – PART III

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Ad valorem taxes	\$ 6,656,500	\$ 6,869,700	\$ 6,869,429	\$ (271)
Intergovernmental revenues:				
Federal grants	91,900	336,404	376,415	40,011
State grants:				
State revenue sharing (net)	61,200	63,534	63,534	-
State supplemental pay	493,000	481,850	484,197	2,347
Dare Grant	3,048	3,187	3,187	-
Other State & Local Grants	5,217,000	5,125,305	5,151,984	26,679
Fees, charges, and commissions for services:				
Commissions on State Revenue Sharing	72,600	72,600	72,603	3
Civil and criminal fees	1,805,320	1,925,305	1,910,908	(14,397)
Court attendance	6,500	7,000	6,868	(132)
Court costs	20,000	20,000	19,942	(58)
Use of money and property:				
Interest	9,250	54,000	58,019	4,019
Miscellaneous	100,000	207,000	231,847	24,847
Total Revenues	<u>14,536,318</u>	<u>15,165,885</u>	<u>15,248,933</u>	<u>83,048</u>
<u>EXPENDITURES</u>				
Public safety:				
Personal services and related benefits	13,326,488	13,224,293	13,186,987	37,306
Operating services	1,398,300	1,424,430	1,498,681	(74,251)
Material and supplies	255,350	265,530	282,530	(17,000)
Travel and training	62,000	72,525	74,058	(1,533)
Capital outlay	68,500	250,350	278,661	(28,311)
Debt service	-	-	-	-
Total Expenditures	<u>15,110,638</u>	<u>15,237,128</u>	<u>15,320,917</u>	<u>(83,789)</u>
Deficiency of Revenues over Expenditures	(574,320)	(71,243)	(71,984)	(741)
<u>OTHER FINANCING SOURCES</u>				
Proceeds from sale of assets	-	22,620	22,620	-
Total other financing sources	<u>-</u>	<u>22,620</u>	<u>22,620</u>	<u>-</u>
Net change in fund balance	<u>(574,320)</u>	<u>(48,623)</u>	<u>(49,364)</u>	<u>741</u>
Fund Balance, July 1, 2018	<u>2,612,799</u>	<u>2,842,955</u>	<u>2,721,913</u>	<u>121,042</u>
Fund Balance, June 30, 2019	<u>\$ 2,038,479</u>	<u>\$ 2,794,332</u>	<u>\$ 2,672,549</u>	<u>\$ 121,783</u>

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
WORK RELEASE CENTER FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Fees, charges, and commissions for services:				
Civil and criminal fees	\$ 2,781,748	\$ 2,895,735	\$ 2,891,344	\$ (4,391)
Feeding and keeping prisoners	1,598,000	1,492,000	1,480,231	(11,769)
Miscellaneous commissions	-	-	-	-
Use of money and property:				
Interest	42,000	155,000	156,018	1,018
Sale of Merchandise	173,195	182,000	182,736	736
Total Revenues	<u>4,594,943</u>	<u>4,724,735</u>	<u>4,710,329</u>	<u>(14,406)</u>
<u>EXPENDITURES</u>				
Public safety:				
Personal services and related benefits	3,299,051	3,304,385	3,262,440	41,945
Operating services	887,931	919,285	979,234	(59,949)
Material and supplies	143,036	139,500	138,398	1,102
Travel and training	3,000	5,000	4,524	476
Capital outlay	-	34,935	18,933	16,002
Purchase of merchandise for resale	36,500	62,500	65,679	(3,179)
Debt service	-	-	-	-
Total Expenditures	<u>4,369,518</u>	<u>4,465,605</u>	<u>4,469,208</u>	<u>(3,603)</u>
Excess (Deficiency) of Revenues over Expenditures	225,425	259,130	241,121	(18,009)
<u>OTHER FINANCING SOURCES</u>				
Net change in fund balance	<u>225,425</u>	<u>259,130</u>	<u>241,121</u>	<u>(18,009)</u>
Fund Balance, July 1, 2018	<u>8,490,568</u>	<u>8,453,298</u>	<u>8,444,224</u>	<u>9,074</u>
Fund Balance, June 30, 2019	<u>\$ 8,715,993</u>	<u>\$ 8,712,428</u>	<u>\$ 8,685,345</u>	<u>\$ (8,935)</u>

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 328,992	\$ 336,866
Interest	551,145	541,031
Differences between expected and actual experience	809,803	(114,271)
Changes of assumptions	301,049	-
Benefit payments	<u>(329,033)</u>	<u>(311,879)</u>
Net change in total OPEB liability	1,661,956	451,747
Total OPEB liability- beginning	<u>15,060,496</u>	<u>14,608,749</u>
Total OPEB liability- ending	<u><u>\$ 16,722,452</u></u>	<u><u>\$ 15,060,496</u></u>
Covered employee payroll	\$ 8,921,915	\$ 8,662,053
Total OPEB liability as a percentage of covered employee payroll	187.43%	173.87%

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

Notes to Schedule:

Benefit Changes - There were no changes of benefit terms for the year ended June 30, 2019.

Changes of Assumptions - The discount rate as of June 30, 2018 was 3.62% and changed to 3.50% as of June 30, 2019.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA
SCHEDULE OF THE SHERIFF'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2019 (*)

Louisiana Sheriff's Pension and Relief Fund	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's Proportion of the Net Pension Liability (Assets)	1.4373%	1.3920%	1.3858%	1.3856%	1.3714%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,511,475	\$ 6,027,823	\$ 8,795,603	\$ 6,176,216	\$ 5,430,652
Employer's Covered-Employee Payroll	\$ 9,894,528	\$ 9,646,293	\$ 9,464,430	\$ 9,186,570	\$ 8,854,184
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	55.7023%	62.4885%	92.9333%	67.2309%	61.3343%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.4106%	88.4876%	82.0970%	86.6065%	87.3447%

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

(*) The amounts presented have a measurement date of the previous fiscal year end.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA
SCHEDULE OF WEST BATON ROUGE PARISH SHERIFF'S CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2019

Louisiana Sheriffs' Pension and Relief Fund	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,224,253	\$ 1,261,552	\$ 1,278,134	\$ 1,301,359	\$ 1,309,086
Contributions in relation to contractually required contributions	<u>1,224,253</u>	<u>1,261,552</u>	<u>1,278,134</u>	<u>1,301,359</u>	<u>1,309,086</u>
Contribution deficiency (excess)	-	-	-	-	-
Employer's Covered Employee Payroll	\$ 9,993,901	\$ 9,894,528	\$ 9,646,293	\$ 9,464,430	\$ 9,186,570
Contributions as a % of Covered Employee Payroll	12.2500%	12.7500%	13.2500%	13.7500%	14.2500%

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

Notes to the Net Pension Liability Required Supplementary Information:

Changes in Benefit Term: There were no changes in benefit terms for the fiscal year ended June 30, 2019.

Changes in Assumption: There were no changes in assumptions for the fiscal year ended June 30, 2019.

OTHER SUPPLEMENTARY INFORMATION – PART IV

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS DESCRIPTIONS

SPECIAL REVENUE FUNDS

Special revenue fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purpose.

PRISONER WELFARE FUND

The prisoner welfare fund accounts for sales to prisoners in parish jail. Revenues are used to purchase recreational equipment, personal items, and items for resale.

DRUG TASK FORCE FUND

The Drug Task Force is a federal anti-drug abuse grant awarded by the Louisiana Commission in Law Enforcement to local law enforcement authorities to enhance their efforts in the prevention of drug traffic.

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2019

	Drug Task Force Fund	Prisoner Welfare Fund	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 13,506	\$ 145,741	\$ 159,247
Receivables	-	-	-
Due from other funds	-	25,114	25,114
	<u>\$ 13,506</u>	<u>\$ 170,855</u>	<u>\$ 184,361</u>
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ 20,537	\$ 20,537
Accrued liabilities	2,542	-	2,542
Due to other funds	-	-	-
Total liabilities	<u>2,542</u>	<u>20,537</u>	<u>23,079</u>
<u>FUND BALANCE</u>			
Restricted for grants	10,964	-	10,964
Assigned	-	150,318	150,318
Total fund balance	<u>10,964</u>	<u>150,318</u>	<u>161,282</u>
	<u>\$ 13,506</u>	<u>\$ 170,855</u>	<u>\$ 184,361</u>
Total liabilities and fund balance	<u>\$ 13,506</u>	<u>\$ 170,855</u>	<u>\$ 184,361</u>

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2019

	Drug Task Force Fund	Prisoner Welfare Fund	Total
<u>REVENUES</u>			
Intergovernmental revenues:			
Federal grants	\$ -	\$ -	\$ -
Other state and local grants and contributions	-	-	-
Fees, charges, and commissions for services:			
Miscellaneous commissions	-	4,238	4,238
Use of money and property:			
Interest	216	2,674	2,890
Sale of Merchandise	-	323,347	323,347
Total Revenues	216	330,259	330,475
<u>EXPENDITURES</u>			
Public safety:			
Operating services	-	55,163	55,163
Material and supplies	-	12,456	12,456
Capital outlay	-	5,222	5,222
Purchase of merchandise for resale	-	237,280	237,280
Total Expenditures	-	310,121	310,121
Excess of Revenues over Expenditures	216	20,138	20,354
Fund Balance at beginning of year	10,748	130,180	140,928
Fund Balance at end of year	\$ 10,964	\$ 150,318	\$ 161,282

STATE OF LOUISIANA, PARISH OF WEST BATON ROUGE PARISH

AFFIDAVIT

Michael B. Cazes, Sheriff of West Baton Rouge Parish

BEFORE ME, the undersigned authority, personally came and appeared, Michael B. Cazes, the Sheriff of West Baton Rouge Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct: \$1,273 is the amount of cash on hand in the tax collector account on June 30, 2019;

He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2018, by taxing authority, are true and correct.

All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.

[Handwritten Signature]

Signature
Sheriff of West Baton Rouge Parish

SWORN to and subscribed before me. Notary, this 4th day of November 2019, in my office in Port Allen, Louisiana.
(City/Town)

Barbara Veal (Signature)

Barbara Veal (Print), # 81940
Notary Public

Life (Commission)

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
JUNE 30, 2019

Agency Head Name: Mike Cazes, Sheriff

Purpose	Amount
Salary	\$ 160,338
Benefits- insurance	10,385
Benefits- retirement	54,920
Travel	5,501
Cell phone	<u>960</u>
Total	<u><u>\$ 232,104</u></u>



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 Mike Cazes
West Baton Rouge Parish Sheriff
Port Allen, 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, each major fund, and the aggregate remaining information of the West Baton Rouge Parish Sheriff (the Sheriff), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the West Baton Rouge Parish Sheriff's basic financial statements, and have issued our report thereon dated November 25, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Baton Parish Sheriff'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 West Baton Parish Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the West Baton Parish Sheriff'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.

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether the West Baton Rouge Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Additional matters were communicated to management in a separate letter dated November 25, 2019.

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.

Diez, Dupuy & Rucy
Gonzales, Louisiana
November 25, 2019

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2019

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unmodified opinion on whether the financial statements of the West Baton Rouge Parish Sheriff's Office were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are 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 West Baton Rouge Parish Sheriff's Office which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None noted

C. FINDINGS – COMPLIANCE

None noted

WEST BATON ROUGE PARISH SHERIFF
PORT ALLEN, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2019

A. FINDINGS – FINANCIAL STATEMENT AUDIT

None noted

B. FINDINGS – COMPLIANCE

None noted



November 25, 2019

To the Honorable Mike Cazes
West Baton Rouge Parish Sheriff
Port Allen, Louisiana

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether the financial statements of the West Baton Rouge Parish Sheriff as of and for the year ended June 30, 2019 are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

During our audit we became aware of a certain instance regarding compliance with provisions of laws other than noncompliance with which could have a direct and material effect on the determination of financial statement amounts. This letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated November 25, 2019, on the financial statements of the West Baton Rouge Parish Sheriff.

MLP – 2019-001 Nepotism

Condition: The Sheriff's brother is an employee of the West Baton Rouge Sheriff. Michael Cazes was elected to his first term as Sheriff effective July 1, 2004. The Sheriff's brother was hired on a part-time basis on October 21, 2003 at the Work Release Center under the supervision of the Work Release Center Warden. On August 1, 2004, he was hired full-time by the West Baton Rouge Sheriff's Office to continue working at the Work Release Center under the supervision of the Work Release Center Warden. The West Baton Rouge Sheriff's Office could be in violation of Louisiana Revised Statute 42:1119; Nepotism.

Recommendation: The West Baton Rouge Parish Sheriff should consult with legal counsel to determine if the West Baton Rouge Parish Sheriff's Office is in compliance with Louisiana law.

We will review the status of these comments during our next audit engagement. We have already discussed this comment and suggestion with Sheriff Mike Cazes, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management and the Honorable Sheriff, and others within the West Baton Rouge Parish Sheriff, and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mike Cazes, West Baton Rouge Parish Sheriff, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the West Baton Rouge Parish Sheriff (the Sheriff) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Sheriff'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.

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.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

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

Written policies and procedures were obtained and address the functions noted above.

- 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.

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

- 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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

- 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.

Written policies and procedures do not address the functions noted above.

Management's Response: Policy will be amended to include the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained and address the functions noted above.

Bank Reconciliations

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

Obtained listing of client bank accounts from management and management's representation that listing is complete.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions noted.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

Collections

3. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained listing of deposit sites and management's representation that listing is complete.

4. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Obtained listing of collection locations and management's representation that listing is complete.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Cash collections are performed by nine employees at three collection locations. Cash drawers are shared by employees at each location.

Management's Response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No exceptions noted for two of three collection locations. At one location, five employees responsible for collecting cash are responsible for preparing/making deposits.

Management's Response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions noted for two of three collection locations. At one location, five employees responsible for collecting cash are responsible for posting collection entries to the general ledger or subsidiary ledgers.

Management's Response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted for two of three collection locations. At one location, one employee responsible for collecting cash is responsible for reconciling cash collection to the general ledger or subsidiary ledgers, by revenue source and/or agency fund additions. Also, there are no procedures in place to reconcile cash collections to the general ledger or subsidiary ledgers, by agency fund additions for one agency fund.

Management's Response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involve. Policies will be amended to include procedures to reconcile cash collections to the general ledger or subsidiary ledgers, by revenue types and agency fund additions.

- 5. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

No exceptions noted.

- 6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

No exceptions noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted for twenty-one of twenty-two deposits. One of twenty-two deposits was not supported by a sequentially pre-numbered receipt, system report, or other related collection documentation to trace to the deposit slip.

Management's Response: Management has reviewed the exception and discussed the importance of obtaining and maintaining adequate documentation for all receipts.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

No exceptions noted for seventeen of twenty-two deposits. Seven receipts for two of twenty-two deposits was not deposited within one day of receipt. Three receipts for three of twenty-two deposits were not supported by a sequentially pre-numbered receipt, system report, or other related collection documentation; therefore, we were unable to determine if the deposit was made within 1 day of receipt.

Management's Response: Management has reviewed the exception and discussed the importance of obtaining, documenting and maintaining adequate documentation for all receipts to ensure collections are properly recorded and recorded in a timely manner.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exception noted.

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

7. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained a listing of locations that process payments and management's representation that the listing is complete.

8. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exception noted.

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

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

No exception noted.

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

No exception noted.

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

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

Obtained listing of all travel and related expense reimbursements and management's representation that listing is complete.

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

No exceptions noted.

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

One transaction for one of five employee reimbursements selected did not include an original itemized receipt to precisely identify what was charged.

Management's Response: Management has reviewed the exception and discussed the importance of obtaining and maintaining adequate documentation for all reimbursements. Management believes procedures in place over expense reimbursements are adequate for the Sheriff's office and will continue to monitor the reimbursement process to ensure policies are adhered to.

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

No exceptions noted.

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

No exceptions noted.

Ethics

11. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

No exceptions noted.

Other

12. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management asserted that the entity did not have any misappropriations of public funds or assets.

13. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Required notice was posted on the Sheriff's premises and website.

This report is intended solely for the information and use of the Honorable Sheriff Mike Cazes and the Louisiana Legislative Auditor, and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Deery, Dupuy & Ruiz

Gonzales, Louisiana
November 25, 2019