

St. Helena Parish Sheriff

Annual Financial Statements

As of and for the Year Ended June 30, 2019
With Supplemental Information Schedules



BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

**St. Helena Parish Sheriff
Greensburg, Louisiana**

**Annual Financial Statements
As of and for the Year Ended June 30, 2019
With Supplemental Information Schedules**

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**St. Helena Parish Sheriff
Greensburg, Louisiana**

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With Supplemental Information Schedules**

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Independent Auditor's Report

To the Honorable Nathaniel Williams
St. Helena Parish Sheriff and
Ex-Officio Parish Tax Collector
Post Office Box 1205
Greensburg, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Helena 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 St. Helena Parish 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.

Auditor's Responsibility

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

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

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

BRUCE HARRELL & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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St. Helena Parish Sheriff
Independent Auditor's Report

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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 fund information of the St. Helena Parish Sheriff as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8–13 and 50, as well as, the schedule of changes in net OPEB liability and related ratios on page 51, the schedule of the Sheriff's proportionate share of the net pension liability on page 52, and the schedule of contributions on page 53 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 an opinion on the financial statements that comprise the Sheriff's basic financial statements. The schedule of changes in balances due to taxing bodies and others – fiduciary agency funds, the tax collector account affidavit, and the schedule of compensation, benefits, and other payments to agency head (all listed as Other Supplemental Information in the table of contents), are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The schedules listed as Other Supplemental Information in the table of contents are the responsibility of management and were 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 schedules listed as Other Supplemental Information in the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

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St. Helena Parish Sheriff
Independent Auditor's Report
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019, on our consideration of the 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 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.

A handwritten signature in black ink that reads "Bruce Harrell & Co." with a stylized flourish at the end.

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
Kentwood, Louisiana

December 23, 2019

Required Supplemental Information (Part I)
Management's Discussion and Analysis

**St. Helena Parish Sheriff
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2019**

Introduction

As management of the St. Helena Parish Sheriff, Greensburg, Louisiana, we offer readers of the Sheriff's financial statements this narrative overview and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2019. This management discussion and analysis ("MD&A") is designed to provide an objective and easy to read analysis of the St. Helena Parish Sheriff's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the Sheriff's finances. It is also intended to provide readers with an analysis of the Sheriff's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Sheriff. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the St. Helena Parish Sheriff's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the Other Required Supplemental Information ("RSI") that is provided in addition to this MD&A.

Financial Highlights

- The Sheriff's total overall net position decreased by \$150,843 during the year.
- At June 30, 2019, the Sheriff's governmental fund reported an ending fund balance of \$337,587. \$11,906 was nonspendable and \$325,681 was unassigned and is available for spending at the Sheriff's discretion.
- Governmental fund balance decreased \$144,129 during the year.
- Expenses for the year were \$3,060,172, an increase of \$128,092.

Overview of the Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the St. Helena Parish Sheriff's financial statements. The St. Helena Parish Sheriff's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**St. Helena Parish Sheriff
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2019**

Government-Wide Financial Statements

The *government-wide* financial statements are designed to provide readers with a broad overview of the St. Helena Parish Sheriff's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the St. Helena Parish Sheriff's assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources are reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the St. Helena Parish Sheriff is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property taxes and gaming revenues. The sole purpose of these governmental activities is public safety. The government-wide financial statements can be found on pages 15-16 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The St. Helena Parish Sheriff, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Sheriff uses two categories of funds to account for financial transactions: governmental funds and fiduciary (agency) funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Sheriff's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations can be found on page 19 and 21 of this report.

The St. Helena Parish Sheriff maintains one individual governmental fund. Information is presented separately in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund.

The St. Helena Parish Sheriff adopts an annual appropriated budget for its general fund. A budgetary comparison statement for the major fund has been provided herein to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 18 and 20 of this report.

**St. Helena Parish Sheriff
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2019**

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the St. Helena Parish Sheriff's own programs.

The basic fiduciary fund financial statements can be found on pages 23 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 - 48 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the St. Helena Parish Sheriff's performance. This can be found on pages 56 and 57 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Sheriff's net position for the current year as compared to the prior year. The Sheriff's net position decreased by \$150,843.

**Net Position
2019 and 2018**

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Assets:		
Current and Other Assets	\$ 620,569	\$ 699,761
Capital Assets	970,379	1,129,925
Total Assets	<u>1,590,948</u>	<u>1,829,686</u>
Deferred Outflows of Resources	640,506	304,736
Total Assets and Deferred Outflows of Resources	<u>2,231,454</u>	<u>2,134,422</u>
Liabilities:		
Long-Term Debt Outstanding	3,640,487	3,535,466
Other Liabilities	387,738	322,335
Total Liabilities	<u>4,028,225</u>	<u>3,857,801</u>
Deferred Inflows of Resources	340,265	262,814
Total Liabilities and Deferred Inflows of Resources	<u>4,368,490</u>	<u>4,120,615</u>
Net Position:		
Invested in Capital Assets, Net of Related Debt	698,321	761,295
Restricted	-	-
Unrestricted	(2,835,357)	(2,747,488)
Total Net Position	<u>\$ (2,137,036)</u>	<u>\$ (1,986,193)</u>

**St. Helena Parish Sheriff
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2019**

The following table provides a summary of the Sheriff's changes in net position.

Changes in Net Position				
For the years ended June 30, 2019 and 2018				
	Governmental Activities	%	Governmental Activities	%
	2019	Total	2018	Total
Revenues:				
Program Revenues:				
Charges for Services	\$ 833,875	29%	\$ 788,217	27%
Operating Grants and Contributions	75,975	3%	75,658	3%
Capital Grants and Contributions	1,980	-	1,980	-
General Revenues:				
Property Taxes	903,247	31%	970,355	33%
State Revenue Sharing	68,592	2%	68,781	2%
Gaming Revenues	942,363	33%	934,373	32%
State Supplemental Pay	63,101	2%	58,101	2%
Investment Earnings	5,039	-	5,359	-
Other	12,359	-	10,348	-
Gain (Loss) on Sale of Assets	(447)	-	(1,137)	-
Transfers from Local Governments	3,245	-	23,234	1%
Total Revenues	2,909,329	100%	2,935,269	100%
Expenses:				
Public Safety	3,041,745	99%	2,911,861	99%
Interest on Long Term Indebtedness	18,427	1%	20,219	1%
Total Expenses	3,060,172	100%	2,932,080	100%
Increase (Decrease) in Net Position	(150,843)		3,189	
Net Position - Beginning	(1,986,193)		(1,989,382)	
Net Position, Ending	\$ (2,137,036)		\$ (1,986,193)	

Gaming Revenue was the largest revenue source for the Sheriff, amounting to 33% of total general revenues. Property taxes were the second largest revenue source for the Sheriff amounting to 31% of total general revenues. The prior year percentage for property taxes and gaming revenues was comparable to the current year's percentage.

The expenses of the St. Helena Parish Sheriff's Office, as reported in Statement of Activities, were \$3,060,172 which increased by \$128,092.

**St. Helena Parish Sheriff
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2019**

Financial Analysis of the Governmental Funds

As noted earlier, the Sheriff used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus on the Sheriff's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing resources available for spending at the end of the fiscal year. As of the current fiscal year the Sheriff's General Fund reported ending fund Balance of \$337,587.

General Fund Budgetary Highlights

Changes from the Sheriff's original budget to the final budget are detailed in the Required Supplementary Information Section along with a comparison to actual activity for year ended June 30, 2019. Highlights of significant changes from the Sheriff's original budget to the final budget include:

- Total final budgeted revenues and other financing sources increased by \$37,401 from the original budgeted revenues and other financing sources for June 30, 2019. The majority of the increase was from proceeds from borrowings which were used for capital improvements.
- Final budgeted expenditures increased by \$141,536 from the original budgeted expenditures for June 30, 2019. The majority of the increase is in personal services and related benefits and capital outlays.

Capital Assets and Debt Administration

Capital Assets

The Sheriff's investment in capital assets includes land, construction in progress, buildings and improvements, and machinery and equipment. The Sheriff's investment in capital assets for its governmental activities as of June 30, 2019 amounts to \$970,379 (net of accumulated depreciation). The decrease in capital assets for the year was \$159,546 as reflected in the following schedule. For more detailed information, see Note 5 to the financial statements on page 34 of this report.

**Capital Assets (Net of Depreciation)
2019 and 2018**

Capital Assets	Governmental Activities		Increase (Decrease)	Percentage Increase (Decrease)
	2019	2018		
Land	\$ 10,000	\$ 10,000	\$ -	-
Buildings	713,194	695,129	18,065	3%
Vehicles	864,982	723,350	141,632	20%
Furniture and Equipment	552,779	741,080	(188,301)	-25%
Subtotal Capital Assets	2,140,955	2,169,559	(28,604)	-1%
Less: Accumulated Depreciation	(1,170,576)	(1,039,634)	(130,942)	-13%
Capital Assets, Net	\$ 970,379	\$ 1,129,925	\$ (159,546)	-14%

**St. Helena Parish Sheriff
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2019**

Long-Term Debt

At the end of the fiscal year, the Sheriff had other long-term debt of capital leases, net unfunded other post-employment benefit obligations, and net pension liability in the amount of \$3,743,949. For more detailed information, see Notes 6 and 12 to the financial statements of this report.

**Outstanding Debt
2019 and 2018**

	Governmental Activities	
	2019	2018
Other Long Term Debt		
Capital Leases	\$ 270,764	\$ 366,903
Unfunded Net Other Post Employment Benefit Obligations	2,799,855	2,480,219
Net Pension Liability	673,330	790,907
Total Long Term Debt	\$ 3,743,949	\$ 3,638,029

Economic Factors and Next Year's Budgets and Rates

Gaming Revenues and property taxes are the largest sources of revenues for the sheriff. Both are expected to remain approximately the same for the fiscal year ending June 30, 2020 as they were in the previous year.

Request for Information

This financial report is designed to provide a general overview of the Sheriff's finances for all those with an interest in the government's finances. Questions regarding this report or requests for additional information should be addressed to the St. Helena Parish Sheriff, P. O. Box 1205, Greensburg, Louisiana 70441, Telephone (225) 222-4413.

Basic Financial Statements
Government-Wide Financial Statements

**St. Helena Parish Sheriff
Statement of Net Position
As of June 30, 2019**

Statement A

**Primary
Government
Governmental
Activities**

Assets

Current Assets:

Cash and Cash Equivalents	\$	381,295
Receivables, Net:		227,368
Prepaid Insurance		11,906
Total Current Assets		620,569

Capital Assets:

Land		10,000
Capital Assets, Net		960,379
Total Capital Assets		970,379

Total Assets

1,590,948

Deferred Outflows of Resources

Pension Related		352,124
OPEB Related		288,382
Total Deferred Outflows of Resources		640,506

Total Assets and Deferred Outflows of Resources

\$ 2,231,454

Liabilities

Current Liabilities:

Accounts Payable	\$	85,506
Other Accrued Payables		198,770
Current Portion of Long Term Indebtedness		
Capital Leases		103,462
Total Current Liabilities		387,738

Long Term Liabilities:

Capital Leases		167,302
Unfunded Net Other Post Employment Benefit Obligations		2,799,855
Net Pension Liability		673,330
Total Long Term Liabilities		3,640,487

Total Liabilities

4,028,225

Deferred Inflows of Resources

Pension Related		340,265
Total Deferred Inflows of Resources		340,265

Net Position

Net Investment in Capital Assets		698,321
Unrestricted		(2,835,357)
Total Net Position		(2,137,036)

Total Liabilities, Deferred Inflows of Resources, and Net Position

\$ 2,231,454

The accompanying notes are an integral part of this statement.

St. Helena Parish Sheriff
Statement of Activities
For the year ended June 30, 2019

	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets
Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Governmental Activities	
Governmental Activities					
Public Safety	\$ (3,039,857)	\$ 833,875	\$ 75,975	\$ 1,980	\$ (2,128,027)
Capital Lease Interest	(20,315)	-	-	-	(20,315)
Total Governmental Activities	(3,060,172)	833,875	75,975	1,980	(2,148,342)
 General Revenues:					
Taxes:					
Property Taxes					903,247
Intergovernmental					
Gaming Revenues					942,363
State Revenue Sharing					68,592
On Behalf Payments - State Supplemental Pay					63,101
Investment Earnings					5,039
Miscellaneous					12,359
Payments (to) from Other Local Governments					3,245
Loss on Sale of Assets					(447)
Total General Revenues and Transfers					1,997,499
Change in Net Position					(150,843)
Net Position - Beginning					(1,986,193)
Net Position - Ending					\$ (2,137,036)

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fund Financial Statements

St. Helena Parish Sheriff
Balance Sheet, Governmental Funds
As of June 30, 2019

Statement C

	<u>General Fund</u>
Assets	
Cash and Equivalents	\$ 381,295
Receivables, Net	227,368
Prepaid Insurance	<u>11,906</u>
Total Assets	\$ <u>620,569</u>
 Liabilities and Fund Balances	
Liabilities:	
Accounts Payable	\$ 85,506
Other Accrued Liabilities	6,019
Accrued Wages and Employee Benefits	<u>191,457</u>
Total Liabilities	<u>282,982</u>
 Fund Balances:	
Nonspendable	11,906
Unassigned	<u>325,681</u>
Total Fund Balances	<u>337,587</u>
 Total Liabilities and Fund Balances	 \$ <u>620,569</u>

The accompanying notes are an integral part of this statement.

St. Helena Parish Sheriff
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
As of June 30, 2019

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Funds (Statement C)		\$ 337,587
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.		
Governmental capital assets net of depreciation		970,379
Interest payable used in the governmental activities is not payable from current resources and therefore is not reported in the governmental funds		
		(1,294)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental fund.		
Capital Leases Payable	\$ (270,764)	
Net Pension Liability	(673,330)	
Unfunded Net Other Post Employment Benefit Obligations	<u>(2,799,855)</u>	(3,743,949)
Deferred outflows of resources and deferred inflows of resources related to pensions and other post employment benefits do not require the use of current financial resources and therefore are not reported in the Governmental funds.		
Deferred Outflows-Pension Related	352,124	
Deferred Outflows-OPEB Related	288,382	
Deferred Inflows-Pension Related	<u>(340,265)</u>	300,241
Net Position of Governmental Activities (Statement A)		<u>\$ (2,137,036)</u>

The accompanying notes are an integral part of this statement.

St. Helena Parish Sheriff
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the year ended June 30, 2019

Statement E

	General Fund
Revenues	
Taxes :	
Ad valorem	\$ 903,247
Intergovernmental:	
Grants	6,269
State Revenue Sharing	68,592
State Supplemental Pay	63,101
Fees, Charges, and Commissions for Services:	
Commissions on Collection of Tax and Licenses	230,670
Fines, Forfeitures and Other Fees	137,916
Feeding and Keeping Prisoners	465,289
Miscellaneous:	
Gaming Revenue	942,363
Investment Earnings	5,039
Donations	-
Other	12,359
Total Revenues	2,834,845
Expenditures	
Public Safety	
Personal Services and Related Benefits	
Salaries	1,354,229
Employee Benefits	638,924
Operating Services	313,985
Materials and Supplies	531,974
Travel and Other Charges	13,694
Total Public Safety	2,852,806
Capital Outlays	48,353
Debt Service	161,741
Total Expenditures	3,062,900
Excess (Deficiency) of Revenues Over (Under) (Expenditures)	(228,055)
Other Financing Sources (Uses)	
Payments from Other Governments	3,245
Proceeds from Sale of Capital Assets	35,828
Proceeds from Borrowing	44,853
Total Other Financing Sources (Uses)	83,926
Net Change in Fund Balances	(144,129)
Fund Balances, Beginning	481,716
Fund Balances, Ending	\$ 337,587

The accompanying notes are an integral part of this statement.

St. Helena Parish Sheriff
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Government-Wide Statement of Activities
For the year ended June 30, 2019

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

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ (144,129)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period net of the gain on the sale of capital assets, which also is not reflected in the fund basis financial statements.

Expenditures for capital assets	\$	48,353	
Less:			
Loss on sale of capital assets		(447)	
Proceeds from the sale of capital assets		(35,828)	
Current year depreciation		<u>(171,635)</u>	(159,557)

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 proceeds exceeded payments.

Proceeds from Capital Leases		(44,853)	
Repayment of Principal - Capital Leases		<u>140,993</u>	96,140

Interest Expense reported in the statement of activities does not require the use of current financial resources and is therefore not reported as expenditures in governmental funds.

433

(Increases) or decreases in the unfunded post-employment benefit obligations for medical and life insurance expected in future periods are not recorded for governmental funds on the fund basis.

(45,835)

Governmental funds report current year pension contributions as expenditures. However, in the Statement of Activities, these contributions are reported as deferred inflows of resources and the proportionate share of the plan's pension expense is reported as pension expense.

30,419

The Sheriff's proportionate share of non-employer contributions to the pension plans does not provide current financial resources and is not reported as revenue in the governmental funds.

71,686

Change in Net Position of Governmental Activities, Statement B \$ (150,843)

The accompanying notes are an integral part of this statement.

Basic Financial Statements
Fiduciary Funds Financial Statement

St. Helena Parish Sheriff
Statement of Net Position - Fiduciary Funds
As of June 30, 2019

	Fiduciary Funds			
	Sheriff's Fund	Tax Collector Fund	Prisoner Funds	Total
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 68,346	\$ 394,392	\$ 6,663	\$ 469,401
Total Assets	\$ 68,346	\$ 394,392	\$ 6,663	\$ 469,401
Liabilities				
Held for taxing bodies and others	\$ 68,346	\$ 394,392	\$ 6,663	\$ 469,401
Total Liabilities	\$ 68,346	\$ 394,392	\$ 6,663	\$ 469,401

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Notes to the Financial Statements

St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

Introduction

As provided by Article V. Section 27 of the Louisiana Constitution of 1974, the St. Helena Parish Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the Parish of St. Helena, Louisiana. 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 the neighborhood watch programs, and anti-drug abuse programs. Additionally, the Sheriff, when requested, 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, parish occupational licenses, state revenue sharing funds, sportsman's licenses and fines, costs and bond forfeitures imposed by the district court.

The Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups and activities that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of the employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Sheriff is financially independent, other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish police jury as required by Louisiana Law. Accordingly, the Sheriff is a separate governmental reporting entity.

Certain units of local government which the Sheriff exercises no oversight responsibility such as the parish government, parish school board, other independently elected parish officials and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The accompanying basic financial statements of the St. Helena Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net assets (or balance sheet), a statement of activities, and a statement of cash flows. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. The Sheriff has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, which require capital contributions to the Sheriff to be presented as a change in net position.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote J—Net Position*.

The Sheriff has also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are presented as separate columns in the fund financial statements.

St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are susceptible to accrual (i.e., when they become measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Intergovernmental revenues and fees, and charges and commissions for services are recorded when the Sheriff is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when the Sheriff is entitled to the funds.

Expenditures, including capital outlays, are recorded when the related fund liability is incurred. When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned or unassigned fund balances are available, the Sheriff considers amounts to have been spent out of committed funds, then assigned funds, and finally unassigned funds as needed, unless the Sheriff has provided otherwise in his commitment or assignment actions.

The Sheriff reports the following major governmental fund:

The *General Fund* is the Sheriff's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to sheriff policy. The sheriff's primary sources of revenue are gaming revenues and an ad valorem tax levied by the law enforcement district. 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.

The following fiduciary funds are reported separately:

Agency Funds

Sheriff's Fund, Tax Collector Fund, and the Prisoner Fund: The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, and inmate monies. Disbursements from these funds are made to various parish agencies, litigants in suits, inmates, or deputies as prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

The Sheriff's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government wide statements.

C. 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 public hearing was held on June 30, 2018 at 10:00 a.m. regarding the proposed budget for the fiscal year ending June 30, 2019 and the notice was published in the official journal on June 20, 2018 and June 27, 2018.

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.

Encumbrance accounting is not used. However, the budget is integrated into the accounting records, which allows monthly comparison of budget and actual amounts. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

D. Cash, Cash Equivalents, and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the sheriff's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

E. Inventories

The Sheriff utilizes the "purchase method" of accounting for supplies in governmental funds whereby expendable operating supplies are recognized as expenditures when purchased. The Sheriff did not record any inventory at June 30, 2019, as the amount is not material.

F. Prepaid Items

Certain payments for insurance reflect cost applicable to future accounting periods and are recorded as prepaid items in both government wide and fund financial statements.

G. Capital Assets

Capital assets, which include property, plant, equipment, and vehicles, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$500 or more for capitalizing capital assets.

St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

When surplus items are sold for an immaterial amount after being declared un-needed for public purposes, no salvage value is utilized for depreciation purposes. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings & Building Improvements	25 - 40 Years
Furniture and Fixtures	5 - 7 Years
Equipment	5 - 15 Years
Vehicles	5 Years

H. Long-Term Obligations

Long-Term Obligations are recorded in the statement of net position and statement of activities.

I. Compensated Absences

The Sheriff's office has the following policy related to vacation and sick leave:

Vacation Leave: Vacation leave is earned by all permanent full-time salaried employees according to the length of service.

- 1 to 3 year = 40 hours of vacation
- 4 to 10 year = 80 hours of vacation
- 10 or more years = 120 hours of vacation

Vacation leave not taken in year earned can be carried forward up to a maximum of 120 hours, and any excess over 120 hours is converted to sick leave. Upon resignation, termination, or retirement, unused vacation leave earned during the current year shall be paid based on current salary. Based on GASB Statement No. 16, vacation leave has been accrued as a liability as the benefits were earned.

Sick Leave: Sick leave is earned by all full-time salaried employees at a rate of one day of sick leave for each month of employment. Sick leave may be carried forward to a maximum of 576 hours and upon resignation, termination, or retirement, all unused sick leave shall be forfeited. No liability has been accrued for unused employee sick leave. In accordance with GASB 16, *Accounting for Compensated Absences*, an accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.

J. Net Position

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

- **Net Investment in Capital Assets Component of Net Position**

The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

- **Restricted Component of Net Position**

The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

- **Unrestricted Component of Net Position**

The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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.

In the fund statements, governmental fund equity is classified as fund balance. The Sheriff adopted GASB 54 for the year ended June 30, 2012. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- **Non-spendable.** These are amounts that cannot be spent either, because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal decision of the Sheriff, which is the highest level of decision-making authority for the Sheriff.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Sheriff.
- **Unassigned.** These are all other spendable amounts. This also includes expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed, or assigned to those purposes.

St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

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.

K. Revenues

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are available for collection. The taxes are generally collected in December of the current year and January and February of the ensuing year. Federal and State grants are recorded when the law enforcement district is entitled to the funds.

L. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. All prior period adjustments recorded in the current period have been reflected in prior period data presented wherever possible.

M. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the parish, which are either unusual in nature or infrequent in occurrence.

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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

O. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

P. Pension Plans

The St. Helena Parish Sheriff's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 6. 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.

**St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019**

Q. Other Postemployment Benefit (OPEB) Plan

The Sheriff's defined benefit postemployment health care plan provides OPEB to eligible retired employees. The plan provides OPEB for permanent full-time employees of the Sheriff. The Sheriff's OPEB plan is a single employer defined OPEB plan administered by the Sheriff. The authority to establish and/or amend the obligation of the employer, employees, and retirees rest with the Sheriff. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

2. Levied Taxes

The following is a summary of authorized and levied property taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Law Enforcement District	10.62	10.62	none
Law Enforcement District	9.20	9.20	none

Total taxable property valuation was \$65,086,600 for the year ended June 30, 2019. The authorized millage was 19.82 for 2018. The following are the principal taxpayers and related ad valorem tax revenue for the sheriff:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Revenue for Sheriff</u>
Transcontinental Gas Pipeline	Public Utility	\$ 5,614,290	8.63%	\$ 111,275
Dixie Electric Membership Co.	Public Utility	4,135,310	6.35%	81,962
Amerchol	Chemical Plant	3,217,860	4.94%	63,778
Entergy LA, Inc	Public Utility	2,152,310	3.31%	42,659
Soterra, LLC	Timber	1,902,630	2.92%	37,697

St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

3. Cash and Cash Equivalents

At June 30, 2019, the Sheriff has cash and cash equivalents (book balances) totaling \$850,696, as follows:

	2019
Governmental Funds	
Demand Deposits	\$ 380,995
Other	300
Subtotal Deposits in Governmental Fund	381,295
Fiduciary Funds	
Demand Deposits	74,176
Time and Savings Deposits	395,225
Subtotal Deposits in Fiduciary Funds	469,401
Total Deposits	\$ 850,696

Fiduciary funds are not reflected in the Statement of Net Assets.

These demand 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. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2019, the Sheriff has \$1,238,647 in deposits (collected bank balances) consisting of both demand deposits and time and savings deposits at two banks. The demand deposits totaling \$837,015 in the first bank are secured from risk by \$250,000 of federal deposit insurance and \$587,015 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The time and savings deposits of \$394,881 in the first bank are secured from risk by \$250,000 of federal deposit insurance and \$144,881 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The demand deposits of \$6,751 in the second bank are secured from risk by \$250,000 of federal deposit insurance. The \$731,897 in total pledged securities is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

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 Sheriff does not have a formal policy for custodial risk. However, 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.

St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

4. Receivables

The Governmental Fund receivables at June 30, 2019 consist of the following:

Government Receivables	<u>General Fund</u>
Ad Valorem	\$ -
Gaming Revenue	56,890
Feeding and Keeping of Prisoners	131,412
Fees and Commissions	35,533
Other	<u>3,533</u>
Total Government Receivables	\$ <u>227,368</u>

The sheriff has not established an allowance for bad debts since any bad debts would not be material to the financial statements.

5. Capital Assets

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

Governmental Activities Capital Assets:	<u>Beginning Balance</u>	<u>Reclassifications</u>	<u>Increases</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:					
Land	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
Total Capital Assets Not Being Depreciated	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Capital Assets Being Depreciated:					
Buildings	695,129	18,065	-	-	713,194
Vehicles	723,350	170,242	48,353	(76,963)	864,982
Furniture and Equipment	<u>741,080</u>	<u>(188,301)</u>	<u>-</u>	<u>-</u>	<u>552,779</u>
Total Capital Assets Being Depreciated	<u>2,159,559</u>	<u>6</u>	<u>48,353</u>	<u>(76,963)</u>	<u>2,130,955</u>
Less Accumulated Depreciation for:					
Buildings	(129,990)	-	(18,253)	-	(148,243)
Vehicles	(394,461)	84,813	(130,514)	40,688	(399,474)
Furniture and Equipment	<u>(515,183)</u>	<u>(84,808)</u>	<u>(22,868)</u>	<u>-</u>	<u>(622,859)</u>
Total Accumulated Depreciation	<u>(1,039,634)</u>	<u>5</u>	<u>(171,635)</u>	<u>40,688</u>	<u>(1,170,576)</u>
Total Capital Assets Being Depreciated, Net	<u>1,119,925</u>	<u>11</u>	<u>(123,282)</u>	<u>(36,275)</u>	<u>960,379</u>
Total Governmental Activities Capital Assets, Net	\$ <u>1,129,925</u>	\$ <u>11</u>	\$ <u>(123,282)</u>	\$ <u>(36,275)</u>	\$ <u>970,379</u>

Depreciation was charged to governmental functions as follows:

Public Safety	\$ <u>171,635</u>
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Included in vehicles are 17 vehicles used as police units that are financed under capital leases in the gross amount of \$516,456 with related accumulated depreciation of \$230,856.

St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

6. Pension Plan

Substantially all employees of the St. Helena Parish Sheriff's Office are members of the Louisiana Sheriffs 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.

The Sheriff's office implemented Governmental Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pension and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB 68. The standards require the sheriff's office to record its proportional share of the Pension Plan Net Pension Liability and report the following disclosures:

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 11:271.

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 age 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 retire 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 are 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 services 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 earning 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% or 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% or the amount payable for total disability.

St. Helena Parish Sheriff
Notes to the Financial Statements
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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 four 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-three, 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 become 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 provision of 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.

The schedule of employer allocations reports the historical employer contributions in addition to the employer allocation percentage of each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Sheriffs' Pension and Relief fund. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contributions to the fund during the fiscal year ended June 30, 2018 as compared to the total of all employers' contributions received by the Fund during the fiscal year ended June 30, 2018.

St. Helena Parish Sheriff
Notes to the Financial Statements
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According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the actual employer contribution rate was 12.75% with an additional 0% allocated from the funding Deposit Account.

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 for non-employer contributing entities, but are not considered special funding situations. Non-employer contributions of \$71,686 are recognized as revenue and excluded from pension expense for the year ended June 30, 2018.

Plan members are required by state statute to contribute 10.25% of their annual covered salary and the St. Helena Parish Sheriff is required to contribute at an actuarially determined rate. The current rate for the year ended June 30, 2019 was 12.25% 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 St. Helena Parish Sheriff are established and may be amended by state statute. As provided by R.S. 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 St. Helena Parish Sheriff's contributions to the System for the years ending June 30, 2019 and 2018, were \$154,770 and \$154,088 respectively, equal to the required contributions for each year.

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 \$673,330 for its proportionate share of the net pension liability of the System. 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 employers actuarially determined. At June 30, 2018 the Sheriff's proportion was 0.1755916%, which was a decrease of 0.007055% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019 the sheriff recognized pension expense of \$125,204 representing its proportional share of the System's net expense, including amortization of deferred amounts.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 189,014
Changes of assumptions	199,046	-
Net differences between projected and actual earnings on pension plan investments	-	39,971
Changes in proportion and differences between employer contributions and proportionate share of contributions	(1,692)	111,280
Employer contributions subsequent to the measurement date	154,770	
Total	<u>\$ 352,124</u>	<u>\$ 340,265</u>

St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

The Sheriff reported a total of \$154,770 as deferred outflows 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, 2020.

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>		
2019	\$	3,973
2020		(23,536)
2021		(89,050)
2022		(26,214)
2023		(8,084)
	\$	<u>(142,911)</u>

Actuarial Assumptions - A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 is as follows:

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% (2.6% inflation, 2.9% 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 increase. The projected benefit payments do not include provisions for potential future increase not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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.

St. Helena Parish Sheriff
Notes to the Financial Statements
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Estimates of arithmetic 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 Portfolio Real Rate of Return
Equity Securities	62%	6.9%	4.30%
Bonds	23%	3.2%	0.70%
Alternative Investments	15%	4.5%	0.70%
Total	100.00%		5.70%
Inflation			2.50%
Expected Arithmetic Nominal Return			8.20%

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 approved by PRSAC taking into consideration the recommendation of the Fund's actuary. 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.

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% Decrease	Current Discount Rate	1% Increase
Louisiana Sheriff Pension & Relief Fund -Rates	6.25%	7.25%	8.25%
St. Helena Sheriff's Share of Net Pension Liability	\$ 1,523,835	\$ 673,330	\$ (42,699)

**St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019**

7. Other Postemployment Benefits (OPEB)

General Information about the OPEB Plan

Plan Description. The St. Helena Parish Sheriff's Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The St. Helena 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 Pension—Reporting for Benefits Not Provided Through Trusts that Meet Specified Criteria—Defined Benefits*.

Benefits Provided. Medical and life insurance benefits are provided to employees upon actual retirement.

The employer pays 100% of the medical coverage for the retiree (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; or, age 55 and 15 years of service. Hired after January 1, 2012, age 55 and 25 years of service, age 60 and 20 years of service, and age 62 and 12 years of service.

Life insurance coverage is continued to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at age 70.

Employees Covered by Benefit Terms. As June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	38
Total of employees covered by benefit terms	47

Total OPEB Liability

The Sheriff's total OPEB liability of \$2,799,855 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	3.87%
Discount Rate	3.5%
Healthcare Cost Trend Rates	Flat 5.5% annually

St. Helena Parish Sheriff
Notes to the Financial Statements
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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	\$ <u>2,480,219</u>
Changes for the year:	
Service Cost	37,591
Interest	96,712
Differences between expected & actual experience	134,793
Changes in Assumptions	151,024
Benefit payments and net transfers	<u>(100,484)</u>
Net changes	<u>319,636</u>
Balance at June 30, 2019	\$ <u><u>2,799,855</u></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 (2.5%) or 1-percentage point higher (4.5%) than the current discount rate:

	1% Decrease (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
Total OPEB Liability	\$ 3,283,477	\$ 2,799,855	\$ 2,415,121

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% Decrease (4.5%)	Current Discount Rate (5.5%)	1% Increase (6.5%)
Total OPEB Liability	\$ 2,485,750	\$ 2,799,856	\$ 3,186,413

St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

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 \$146,319. 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 experiences	\$ 143,399	\$ -
Employer contributions subsequent to the measurement date	144,983	-
	\$ 288,382	\$ -

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	\$ 12,016
	2021	12,016
	2022	12,016
	2023	12,016
	2024	12,016
	Thereafter	228,302
		\$ 288,382

8. Deferred Compensation Plan

The St. Helena Parish Sheriff offers its employees, the Louisiana Public Employees Deferred Compensation Plan, a deferred compensation plan created in accordance with Internal Revenue code Section 457, as revised January 1, 1999. The plan, available to all St. Helena Parish Sheriff employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property, or rights, shall be held for the exclusive benefit of participants and their beneficiaries.

At June 30, 2019 the amounts applicable to the employees of the St. Helena Parish Sheriff's office were \$32,054. As of June 30, 2019, the total amount of plan assets was \$1,807,020,096.

St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

9. Accounts, Salaries, and Other Payables

Governmental Funds Payable	<u>General Fund</u>
Accounts	\$ 85,506
Accrued Wages and Employee Benefits	168,810
Withholdings	28,666
Total Government Funds Payable	<u>\$ 282,982</u>

10. Short-Term Debt

The Sheriff did not have any short-term debt during the fiscal year ended June 30, 2019.

11. Leases

The Sheriff records items under capital leases as an asset and an obligation in the accompanying financial statements. The Sheriff had ten capital leases for the year ended June 30, 2019 for the purpose of purchasing law enforcement vehicles. The following is an analysis of capital leases:

		<u>Capital Lease Payable End of Year</u>
Lease-purchase due in monthly installments of interest at 5.990% , Collateralized by equipment.	\$ 474 , including	\$ 1,407
Lease-purchase due in monthly installments of interest at 5.990% , Collateralized by equipment.	\$ 1,014 , including	15,557
Lease-purchase due in monthly installments of interest at 5.940% , Collateralized by equipment.	\$ 778 , including	10,501
Lease-purchase due in monthly installments of interest at 5.521% , Collateralized by equipment.	\$ 748 , including	17,642
Lease-purchase due in monthly installments of interest at 5.750% , Collateralized by equipment.	\$ 593 , including	13,945
Lease-purchase due in monthly installments of interest at 5.750% , Collateralized by equipment.	\$ 2,109 , including	47,089
Lease-purchase due in monthly installments of interest at 5.541% , Collateralized by equipment.	\$ 3,460 , including	123,214
Lease-purchase due in monthly installments of interest at 6.215% , Collateralized by equipment.	\$ 867 , including	41,409
		<u>\$ 270,764</u>

St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

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.

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Total</u>
2020	\$ 116,255
2021	98,940
2022	53,261
2023	20,787
2024	<u>6,069</u>
Future minimum lease payments	295,312
Less: Amount representing interest	<u>(24,548)</u>
Present Value of net minimum lease payments	<u>\$ 270,764</u>

The Sheriff has operating leases for the following:

Land

On April 15, 2003, the Sheriff leased a parcel of land located at 46447 Highway 16, Pine Grove, Louisiana on which a Sub-Station for the St. Helena Parish Sheriff was constructed. The lease is for 99 years terminating on April 15, 2102. The amount of the lease payment is \$1.00 per year.

Building

On August 29, 2008, the Sheriff leased a building to be used as a substation from Easleyville Wash and Rental, Inc. The initial lease began on August 1, 2008 and ended on August 1, 2018. The lease is a renewal lease in ten-year intervals. The annual lease payment is \$10 annually. The lease was renewed August 1, 2018 with a new ending date of August 1, 2028.

12. Long-Term Debt

The following is a summary of the long-term obligation transactions for the year ended June 30, 2019:

	<u>Governmental Activities</u>		<u>Net</u> <u>Pension</u> <u>Liability</u>	<u>Total Long-Term</u> <u>Obligations</u>
	<u>Lease</u> <u>Agreements</u>	<u>Unfunded</u> <u>OPEB</u> <u>Obligations</u>		
Beginning Balance	\$ 366,903	\$ 2,480,219	\$ 790,907	\$ 3,638,029
Additions	44,853	319,636	-	364,489
Deletions	<u>(140,992)</u>	<u>-</u>	<u>(117,577)</u>	<u>(258,569)</u>
Ending Balances	<u>\$ 270,764</u>	<u>\$ 2,799,855</u>	<u>\$ 673,330</u>	<u>\$ 3,743,949</u>

St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

The following is a summary of the current and the long-term obligation portions of long-term obligations for the year ended June 30, 2019:

	<u>Governmental Activities</u>			<u>Total</u>
	<u>Capital Leases</u>	<u>Unfunded OPEB Obligations</u>	<u>Net Pension Liability</u>	
Current Portion	\$ 103,462	\$ -	\$ -	\$ 103,462
Long-Term Portion	167,302	2,799,855	673,330	3,640,487
	<u>\$ 270,764</u>	<u>\$ 2,799,855</u>	<u>\$ 673,330</u>	<u>\$ 3,743,949</u>

Total interest incurred and recorded as an expense in the Statement of Activities was \$20,315 for the fiscal year ended June 30, 2019.

The annual requirements to amortize all debt outstanding at June 30, 2019, including principal and interest payments are as follows:

<u>Fiscal Year Ended June 30</u>	<u>Total</u>
2020	\$ 116,255
2021	98,940
2022	53,261
2023	20,787
2024	6,069
Future minimum lease payments	<u>295,312</u>
Less: Amount representing interest	<u>(24,548)</u>
Present Value of net minimum lease payments	<u>\$ 270,764</u>

13. Risk Management

The sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff attempts to minimize risk from significant losses through the purchase of insurance.

14. Litigation and Claims

At June 30, 2019, the sheriff is involved in several lawsuits and claims, which are adequately covered by liability insurance or in the opinion of legal counsel, will not result in any liability to the Sheriff who is insured by the Louisiana Sheriff's Risk Management Program.

15. On-Behalf Payments

During 1998, the Sheriff implemented GASB Statements No. 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance. The standard requires the Sheriff to report in the financial statement on-behalf salary and fringe benefits payments made by the State of Louisiana to certain groups of sheriff employees.

Supplementary salary payments are made by the state directly to certain groups of employees. The Sheriff is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditures (expense) payments is the actual contribution made by the state. For the year June 30, 2019

**St. Helena Parish Sheriff
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the state paid supplemental salaries to law enforcement employees of the Sheriff's office. On-behalf payment recorded as revenues and expenditures (expenses) in June 30, 2019 financial statements are as follows:

		State Supplemental Salaries
General Fund:		June 30, 2019
Deputy Supplemental Pay	\$	63,101

16. Expenditures of the Sheriff's Office Paid by the Parish Police Jury

The sheriff's jail is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the St. Helena Parish Police Jury. These costs are not included in the accompanying financial statements.

The St. Helena Parish Police Jury also provides the cost of office space, including maintenance and utilities, for the Sheriff's Office as required. These costs are not included in the accompanying financial statements.

17. Ex-Officio Tax Collector

The tax collector collected and disbursed taxes and fees for the year ended June 30, 2019, by the taxing body as follows:

Occupational, alcohol, and amusement license taxes collected and remitted to the Parish Police Jury for the current year consisted of:

	<u>Collections</u>	<u>Cost</u>	<u>Distribution</u>
St. Helena Parish Police Jury	\$ 170,364	\$ 25,555	\$ 144,809
Total Taxes and Interest	\$ 170,364	\$ 25,555	\$ 144,809

St. Helena Parish Sheriff
Notes to the Financial Statements
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State Revenue Sharing Taxes collected and remitted to the various bodies for the current year consisted of:

State Revenue Sharing Taxes collected and remitted to the various bodies

<u>Taxing Bodies</u>	<u>Amount</u>
St. Helena Parish Police Jury	\$ 83,429
St. Helena Parish School Board	31,377
St. Helena Parish Hospital District	5,380
St. Helena Parish Sheriff	68,592
St. Helena Parish Assessor	18,244
Florida Parish Juvenile	6,725
Parish Assessor Retirement System	525
Parish Clerk Retirement System	525
Parish District Attorney Retirement System	420
Parish Municipal Employee Retirement System	525
Parish Parochial Employee Retirement System	525
Parish Register of Voters Retirement System	132
Parish Sheriff Retirement System	1,049
Parish Teacher Retirement System	2,098
Total State Revenue Sharing	\$ 219,546

Sales taxes collected and remitted to the various bodies for the current year consisted of:

<u>Taxing Bodies</u>	<u>Total Collections</u>	<u>Collection Cost</u>	<u>Final Distribution</u>
St. Helena Parish School Board	\$ 1,554,900	\$ 54,959	\$ 1,499,941
St. Helena Parish Police Jury	2,329,788	105,531	2,224,257
Town of Greensburg	165,573	3,311	162,262
Parish Tourist Commission	44,245	885	43,360
Village of Montpelier	3,220	129	3,091
Total	\$ 4,097,726	\$ 164,815	\$ 3,932,911

St. Helena Parish Sheriff
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

Schedule of 2018 Ad Valorem Tax Roll, Collections, and Uncollected Ad Valorem Taxes:

Taxing District	Amount Assessed	Tax Order Changes	Total Taxes Collectible	Taxes Collected	Total Not Collected	Uncollected by taxing authority as of June 30, 2019		
						Adjudications of Taxes	Other	Total Uncollected
St. Helena Parish Police Jury	\$ 1,886,461	\$ (1,769)	\$ 1,884,692	\$ (1,838,760)	\$ 45,932	\$ 46,309	\$ (377)	\$ 45,932
St. Helena Parish School Board	2,074,276	(1,797)	2,072,479	(2,022,911)	49,568	47,861	1,707	49,568
St. Helena Parish Hospital	1,036,902	(898)	1,036,004	(1,011,239)	24,765	25,294	(529)	24,765
St. Helena Parish Sheriff	934,155	(810)	933,345	(911,060)	22,285	22,788	(503)	22,285
Louisiana Tax Commission	7,778	-	7,778	(7,778)	-	-	-	-
St. Helena Parish Assessor	351,604	(305)	351,299	(342,902)	8,397	8,577	(180)	8,397
Fire Protection District #4	331,836	(114)	331,722	(331,394)	328	330	(2)	328
Fifth Ward Recreation District	89,723	(118)	89,605	(88,323)	1,282	1,282	-	1,282
Florida Parish Juvenile District	129,613	(112)	129,501	(126,405)	3,096	3,162	(66)	3,096
Council on Aging	167,318	(145)	167,173	(163,177)	3,996	4,082	(86)	3,996
State Forestry Tax	14,589	-	14,589	(14,589)	-	-	-	-
Total	\$ 7,024,255	\$ (6,068)	\$ 7,018,187	\$ (6,858,538)	\$ 159,649	\$ 159,685	\$ (36)	\$ 159,649

18. Taxes Paid Under Protest

The net assets held for others in the agency funds at June 30, 2019, as reflected on Statement G, include \$367,051 of taxes paid under protest, plus interest earned to date of \$27,341 on the investment of these funds totaling \$394,392. These funds are held pending resolution of the protest and are accounted for in the Tax Collection Agency Fund.

19. Contracts

On August 4, 2016, the St. Helena Parish Sheriff entered into an agreement with Ram Ware, LLC dba e-Gov Systems to use their RevSolution Sales Tax Collection System computer program. The license is effective for five years. After five years, the agreement shall automatically be extended for consecutive one-year terms on each anniversary of the effective date, unless either party gives notice of non-renewal prior to the expiration of the then current term. The total initial one-time fee for the software is \$20,000 of which \$2,000 was due upon project kickoff and paid September 9, 2016. The remaining balance of \$18,000 shall be paid no later than December 31, 2016. The St. Helena Parish Sheriff shall also pay an annual fee of \$3,900, due every August 1 (beginning 2017) for the Annual License Fee Renewal, which includes standard support of the program.

20. Subsequent Events

Subsequent events have been evaluated by management through December 23, 2019, the date the financial statements were available for issuance. No events were noted that require recording or disclosure in the financial statements for the fiscal year ending June 30, 2019.

Required Supplemental Information (Part II)

St. Helena Parish Sheriff
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General Fund
For the year ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Ad valorem	\$ 965,000	\$ 900,500	\$ 903,247	\$ 2,747
Intergovernmental:				
Grants	2,000	6,269	6,269	-
State Revenue Sharing	69,000	68,592	68,592	-
State Supplemental Pay	64,000	61,822	63,101	1,279
Fees, Charges, and Commissions for Services:				
Commissions on Collection of Tax and Licenses	236,400	224,895	230,670	5,775
Fines, Forfeitures and Other Fees	120,500	130,000	137,916	7,916
Feeding and Keeping Prisoners	471,000	457,065	465,289	8,224
Miscellaneous:				
Gaming Revenue	955,000	991,500	942,363	(49,137)
Investment Earnings	5,000	5,000	5,039	39
Donations	-	-	-	-
Other	12,000	8,332	12,359	4,027
Total Revenues	<u>2,899,900</u>	<u>2,853,975</u>	<u>2,834,845</u>	<u>(19,130)</u>
Expenditures				
Public Safety:				
Personal Services and Related Benefits	1,820,862	1,946,539	1,993,153	(46,614)
Operating Services	353,100	308,234	313,985	(5,751)
Materials and Supplies	581,500	548,729	531,974	16,755
Travel & Training	7,000	14,500	13,694	806
Total Public Safety	<u>2,762,462</u>	<u>2,818,002</u>	<u>2,852,806</u>	<u>(34,804)</u>
Capital Outlays	-	44,853	48,353	(3,500)
Debt Service	120,634	161,777	161,741	36
Total Expenditures	<u>2,883,096</u>	<u>3,024,632</u>	<u>3,062,900</u>	<u>(38,268)</u>
Excess Revenues (Expenditures)	<u>16,804</u>	<u>(170,657)</u>	<u>(228,055)</u>	<u>(57,398)</u>
Other Financing Sources (Uses)				
Payments from Other Governments	-	3,245	3,245	-
Proceeds from Sale of Capital Assets	-	35,228	35,828	600
Proceeds from Borrowings	-	44,853	44,853	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>83,326</u>	<u>83,926</u>	<u>600</u>
Net Change in Fund Balances	<u>16,804</u>	<u>(87,331)</u>	<u>(144,129)</u>	<u>(56,798)</u>
Fund Balances, Beginning	<u>545,141</u>	<u>481,716</u>	<u>481,716</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 561,945</u>	<u>\$ 394,385</u>	<u>\$ 337,587</u>	<u>\$ (56,798)</u>

See independent auditor's report.

St. Helena Parish Sheriff
Schedule of Changes in Net OPEB Liability and Related Ratios
For the year ended June 30, 2019

Total OPEB Liability	<u>6/30/2018</u>	<u>6/30/2019</u>
Service Cost	\$ 36,496	\$ 37,591
Interest	95,391	96,712
Changes of Benefit Terms	-	-
Differences between expected and actual experience	15,164	134,793
Changes of assumptions	-	151,024
Benefit payments	<u>(95,245)</u>	<u>(100,484)</u>
Net change in total OPEB liability	51,806	319,636
Beginning OPEB Liability	<u>2,428,413</u>	<u>2,480,219</u>
Ending OPEB Liability	<u>\$ 2,480,219</u>	<u>\$ 2,799,855</u>
Covered-employee payroll	\$ 1,196,883	\$ 1,232,789
Employer's OPEB liability as a percentage of covered-employee payroll	207.22%	227.12%

Notes to Required Supplementary Information (Schedule 2)

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

Changes of Assumptions: Changes of Assumptions. The discount rate decreased from 3.87% for the year ended June 30, 2018 to 3.50% for the year ended June 30, 2019.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

See independent auditor's report.

St. Helena Parish Sheriff
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>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
Employer's Proportion of the Net Pension Liability (Assets)	0.21106%	0.20155%	0.19212%	0.18265%	0.17559%
Employer's Proportionate Share of the Net Pension Liability (Assets) \$	835,803	\$ 898,430	\$ 1,219,372	\$ 790,907	\$ 673,330
Employer's Covered Employee Payroll	\$ 1,293,414	\$ 1,336,338	\$ 1,312,094	\$ 1,265,091	\$ 1,208,535
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	64.61991%	67.23075%	92.93328%	62.51780%	55.71456%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liabil	87.34472%	86.60652%	82.09699%	88.48758%	90.41058%

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

See independent auditor's report.

St. Helena Parish Sheriff
Schedule of the St. Helena Parish Sheriff's Contributions
For the year ended June 30, 2019

Louisiana Sheriff's Pension and Relief Fund:	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
Contractually required contribution	\$ 190,428	\$ 180,413	\$ 167,625	\$ 154,088	\$ 154,770
Contributions in relation to contractually required contribution	<u>190,428</u>	<u>180,413</u>	<u>167,625</u>	<u>154,088</u>	<u>154,770</u>
Contributions deficiency (excess)	<u>\$ -</u>				
 Employer's Covered Employee Payroll	 \$ 1,336,338	 \$ 1,312,094	 \$ 1,265,091	 \$ 1,208,535	 \$ 1,263,432
Contributions as a Percentage of Covered Employee Payroll	14.25%	13.75%	13.25%	12.75%	12.25%

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

See independent auditor's report.

Other Supplemental Information

St. Helena Parish Sheriff
Schedule of Changes in Balances Due to Taxing Bodies and Others - Fiduciary Agency Funds
For the year ended June 30, 2019

	Fiduciary Funds			
	Sheriff's Fund	Tax Collector Fund	Prisoner Funds	Total
Balances at Beginning of Year	\$ 58,098	\$ 387,845	\$ 5,434	\$ 451,377
Additions				
Suits and Sales	100,960	-	-	100,960
Bonds	48,204	-	-	48,204
Fines and Costs	80,878	-	-	80,878
Garnishments	84,714	-	-	84,714
Other	8	11,422,411	31,483	11,453,902
Total Additions	<u>314,764</u>	<u>11,422,411</u>	<u>31,483</u>	<u>11,768,658</u>
Distributions				
Taxes, Fees, Etc Distributed to Taxing Bodies and Others	-	11,415,864	30,254	11,446,118
Deposits Settled To:				
Sheriff's General Fund	74,875	-	-	74,875
Police Jury	5,324	-	-	5,324
District Attorney	46,379	-	-	46,379
Clerk of Court	25,304	-	-	25,304
Other	152,634	-	-	152,634
Total Distributions	<u>304,516</u>	<u>11,415,864</u>	<u>30,254</u>	<u>11,750,634</u>
Balances at End of Year	<u>\$ 68,346</u>	<u>\$ 394,392</u>	<u>\$ 6,663</u>	<u>\$ 469,401</u>

See independent auditor's report.

STATE OF LOUISIANA, PARISH OF ST. HELENA

Affidavit

Nathaniel Williams, Sheriff of St. Helena Parish

BEFORE ME, the undersigned authority, personally came and appeared, Nathaniel Williams, the sheriff of St. Helena Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information if true and correct:

\$394,391 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 the tax year from July 1, 2018 to June 30, 2019, 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.

Nathaniel Williams
Signature
Sheriff of St. Helena Parish

SWORN to and subscribed before me, Notary, this 7th day of November, 2019, in my office in Greensburg, Louisiana.

Ann M. Huff (Signature)
Ann M. Huff (Print), # 81027

(Commission)

See independent auditor's report.

St. Helena Parish Sheriff
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to
Agency Head
For the year ended June 30, 2019

Nathaniel Williams, Sheriff

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 164,501
Payroll Taxes Paid by Employer	2,385
Benefits-Employee Health Insurance	10,151
Benefits-Retirement	20,151
Travel-Lodging	381
Meals	386
Mileage	320
Registration Fees	385
Total	<u>\$ 198,660</u>

See independent auditor's report.

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Jessica H. Jones, CPA
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To St. Helena Parish Sheriff
Greensburg, 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 fund information of the St. Helena Parish Sheriff, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the St. Helena Parish Sheriff's basic financial statements, and have issued our report thereon dated December 13, 2019.

Internal Control Over Financial Reporting

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

BRUCE HARRELL & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Accounting Corporation

To St. Helena Parish Sheriff
Greensburg, Louisiana
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Helena Parish Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as Finding 2019-C1.

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.

A handwritten signature in black ink that reads "Bruce Harrell & Co." with a stylized flourish at the end.

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
Kentwood, Louisiana

December 23, 2019

**St. Helena Parish Sheriff
Schedule of Findings and Responses
For the Year Ended June 30, 2019**

Section I Summary of Auditor's Results

Financial Statements

a. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified Qualified
Disclaimer Adverse

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

Internal Control:

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance:

Noncompliance Material to Financial Statements Yes No

Federal Awards - NA

Internal Control over major federal Programs:

Material Weaknesses Yes No Significant Deficiencies Yes No

Type of auditor's report issued on compliance for major federal programs:

Unmodified Qualified
Disclaimer Adverse

Are there findings required to be reported in accordance with 2 CFR 200.516(a)

Yes No

Was a management letter issued?

Yes No

Identification of Major Programs:

CFDA Number (s)	Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

**St. Helena Parish Sheriff
Schedule of Findings and Responses
For the Year Ended June 30, 2019**

Section II Financial Statement Findings

Reference Number: 2019-C1 Ethics Training (Noncompliance)

Criteria: Public servants and elected officials are required to take one hour of training per calendar year on the Code of Governmental Ethics pursuant to LA R.S.42:1170A . Elected officials are additionally required to receive one hour of training per term of office on the Campaign Finance Disclosure Acts.

Condition: During the audit procedures, it was noted that an employee was missing an ethics certificate on file for the fiscal year.

Cause: St. Helena Parish Sheriff's office did not follow up to ensure that all employees were compliant with this required training per calendar year.

Effect: Apparent noncompliance with the above referenced statute.

Recommendations: St. Helena Parish Sheriff should put into place a tracking system for the completion of the required annual course, such as a worksheet that includes all employees and copies of their completion certificates. Management should communicate a required completion deadline date and follow up with consequences for failure to meet the deadline.

Response by Management: We have already implemented the auditor's recommendations.

Contact Person:

Nathaniel "Nat" Williams, Sheriff, 53 N. 2nd Street, Greensburg, Louisiana 70441
(225) 222-4413

Section III Federal Award Findings and Questioned Costs

None

**St. Helena Parish Sheriff
Greensburg, Louisiana**

**Schedule of Prior Year Audit Findings and Responses
For the Year Ended June 30, 2019**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

This schedule was prepared by management.

St. Helena Parish Sheriff

Statewide Agreed-Upon Procedures

As of and for the Year Ended June 30, 2019



BRUCE HARRELL & COMPANY
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Independent Accountant's Report on Applying Agreed-Upon Procedures

To St. Helena Parish Sheriff
Greensburg, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the St. Helena Parish Sheriff (Entity) and the 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 01, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUP's.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain 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.
 - 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.
 - c) **Disbursements**, including processing, reviewing, and approving
Written policies and procedures were obtained and address the functions noted.

- 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.

- 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.

- 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.

- 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.

- 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.

- 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 were obtained and address the functions noted.

- 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.

- 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; however, they did not address the functions noted. Management has adopted a formal policy on the functions noted as of the report date.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly

select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

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

Obtained listing of client bank accounts from management and management's representation that the listing is complete. Selections included evidence that they were prepared within 2 months of the related statement closing date.

- 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

Obtained bank statements and reconciliations for the selected month noting evidence of review by management who does not handle cash, post ledgers, or issue checks.

- 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.

Obtained bank statements and reconciliations for the selected month noting no items aged more than 12 months..

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

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

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

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

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

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 exceptions noted.

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

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

No exceptions 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 exceptions noted.

Other

11. 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 indicated no known misappropriations of public funds and assets during the fiscal period and we obtained management's representation that the listing is complete.

12. 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 notices was posted on the entity's premises, but no evidence of being posted on the entity's website.

Management's Response: We will follow up and update our website for the required notice.

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

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



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
Kentwood, Louisiana

December 23, 2019