

Tangipahoa Parish Sheriff

FINANCIAL REPORT

JUNE 30, 2018

TABLE OF CONTENTS

	<u>Page</u>
<u>INDEPENDENT AUDITORS' REPORT</u>	1-2
 <u>REQUIRED SUPPLEMENTARY INFORMATION – PART I</u>	
Management's Discussion and Analysis	3-9
 <u>FINANCIAL STATEMENTS- PART II</u>	
Statement of Net Position	10
Statement of Activities	11
Governmental Funds Balance Sheet	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balance – All Governmental Fund Types	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Fiduciary Net Position – Fiduciary Funds	16
Notes to the Financial Statements	17-36

TABLE OF CONTENTS

REQUIRED SUPPLEMENTARY INFORMATION – PART III

Budgetary Comparison Schedule – General Fund	37
Schedule of the Sheriff's Proportionate Share of the Net Pension Liability	38
Schedule of Tangipahoa Parish Sheriff's Contributions	39

OTHER SUPPLEMENTARY INFORMATION- PART IV

Non-major Governmental Funds Descriptions	40
Non-major Governmental Funds- Combining Statements	41-42
General Descriptions – Agency Funds	43
Schedule of Changes in Balances Due to Taxing Bodies and Others	44
Sheriff's Sworn Statement	45
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	46

ADDITIONAL REPORTS

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Bases on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	47-48
Schedule of Findings and Questioned Costs	49
Schedule of Prior Year Findings	50



Honorable Daniel Edwards
Tangipahoa Parish Sheriff
Amite, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Tangipahoa Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Tangipahoa Parish Sheriff as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule, schedule of the Sheriff's proportionate share of the net pension liability, and the schedule of the Sheriff's contributions, on pages 3 through 9, and 37 through 39, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining and individual non-major fund financial statements, the schedule of changes in balances due to taxing bodies and others and schedule of compensation, benefits, and other payments to agency head are presented on page 40 through 42, 44 and 46 are presented for purposes of additional analysis and are not a required part of the financial statements. The Sheriff's sworn statement presented on page 45 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining and individual non-major fund financial statements, the schedule of changes in balances due to taxing bodies and others and schedule of compensation, benefits, and other payments to agency head, and Sheriff's sworn statement 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 basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2018, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Diez, Dupuy & Ruiz

Gonzales, Louisiana
October 10, 2018

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

This section of Tangipahoa Parish Sheriff's annual financial report presents our discussion and analysis of the Sheriff's financial performance during the fiscal year that ended on June 30, 2018. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

FINANCIAL HIGHLIGHTS

- The Sheriff's total net position increased \$29,550 over the course of this year's operations.
- During the year, the Sheriff's expenses were \$29,550 less than the \$20.4 million generated in ad valorem taxes, charges for services, operating grants for governmental programs, and other general revenues.
- Expenses for the year were \$20.4 million, an increase of \$2,179,633 from prior year.
- The general fund reported a decrease in fund balance this year of \$2,637,871.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Figure A-1

	Government-wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire Sheriff government (except fiduciary funds)	The activities of the Sheriff that are not proprietary or fiduciary, such as public safety	Instances in which the Sheriff is the trustee or agent for someone else's resources
Required financial statements	• Statement of net position • Statement of activities	• Balance Sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of fiduciary net position
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both short-term and long-term; the Sheriff's fund
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payments are due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Government-wide Statements

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

These two government-wide statements report the Sheriff's net position how they have changed. Net position – the difference between the Sheriff's assets, deferred outflows of resources, liabilities, and deferred inflows of resources – is one way to measure the Sheriff's financial health, or position.

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

The government-wide financial statements of the Sheriff include:

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

Fund Financial Statements

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

The Sheriff has two kinds of funds:

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

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

Net position. The Sheriff's net position increased between fiscal years 2018 and 2017 by \$29,550. (See Table A-1.)

Table A-1
Sheriff's Net Position

	Governmental Activities	
	2018	2017
Current and other assets	\$11,392,676	\$13,173,798
Capital assets	3,463,217	1,952,334
Total assets	14,855,893	15,126,132
Deferred outflows of resources	2,252,777	3,824,230
Total assets and deferred outflows of resources	17,108,670	18,950,362
Current liabilities	808,751	1,089,232
Long-term liabilities	5,546,855	8,126,591
Total liabilities	6,355,606	9,215,823
Deferred inflows of resources	3,863,838	2,874,863
Total liabilities and deferred inflows of resources	10,219,444	12,090,686
Net position		
Net investment in capital assets	3,324,061	1,601,084
Restricted for other purposes	207,612	100,963
Unrestricted	3,357,553	5,157,629
Total net position	\$6,889,226	\$6,859,676

Changes in net position. The Sheriff's total revenues increased 6.2 percent. (See Table A-2.) Approximately 50 percent of the Sheriff's revenue comes from ad valorem tax collections from Tangipahoa Parish. Another 1 percent comes from state and federal grant programs. An additional 32 percent of the Sheriff's revenue comes from charges for services including prisoner housing and commissions. The remaining 17 percent is comprised of miscellaneous fees and other intergovernmental revenue.

The total cost of all programs and services increased \$2,179,633 which is primarily attributed to the increase in capital outlay expenditures and salaries and benefits. The Sheriff's expenses cover all services performed by its office.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Governmental Activities

Revenues for the Sheriff's governmental activities increased by 6.2 percent to approximately \$20.4 million while total expenses increased 12 percent to approximately \$20.4 million.

Table A-2
Changes in Sheriff's Net Position

	Governmental Activities	
	2018	2017
Revenues		
Program revenues		
Charges for services	\$6,478,303	\$5,993,663
Federal grants	40,120	287,289
State grants	157,825	167,831
General revenues		
Property Taxes	9,991,521	9,655,342
State revenue sharing	592,143	602,565
State supplemental pay	725,422	714,578
Investment earnings	145,363	106,161
Correctional reimbursements	108,670	178,239
Contract reimbursements	792,305	772,748
Self-generated fees	278,893	290,677
Donations	-	69,000
Seized assets	419,123	190,239
Other reimbursed expenses	183,806	197,516
Miscellaneous income	506,581	-
Total revenues	20,420,075	19,225,848
Expenses		
Public safety	20,371,904	18,195,709
Interest	18,623	15,185
Total expenses	20,390,527	18,210,894
Increase in net position	29,550	1,014,954
Beginning net position	6,859,676	5,844,722
Ending Net Position	\$6,889,226	\$ 6,859,676

FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

As the Sheriff completed this year, its governmental funds reported a fund balance of \$8.2 million, a decrease from last year of \$2,531,222. This decrease can be attributed to the purchase of capital assets totaling approximately \$2.4 million during the fiscal year. The fund balance is considered adequate for the Sheriff's current needs.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

General Budgetary Highlights

Over the course of the year, the Sheriff made amendments to the general fund budget. These budget amendments reflect increases in both revenues and expenses from the current budget. Overall change in revenues resulted in an amendment of \$422,831 as follows:

- Intergovernmental net decrease of \$35,169.
- Taxes - Ad valorem increased by \$50,000.
- Bonds and fines increased by \$100,000.
- Civil fees increased by \$150,000.
- Prison income decreased \$125,000.
- Correctional reimbursements decreased by \$97,000.
- Interest earned increased by \$75,000.
- Seized assets increased by \$250,000.
- Self-generated fees increased by \$75,000.
- Contracts reimbursements increased by \$15,000.
- Other reimbursed expenses decreased by \$35,000.

The budget was amended to reflect an overall increase of anticipated expenditures by \$2,820,000, mainly in the areas of capital outlay, salaries and benefits, automobile, professional services, prison expenditures and telephone and utilities. Actual expenditures of approximately \$22.4 million were 0.41% more than the \$22.3 million reflected on the amended budget.

CAPITAL ASSETS

At the end of 2018, the Sheriff had invested \$3,463,217 in capital assets. (See Table A-3.)

Table A-3
Sheriff's Capital Assets
(Net of depreciation, where applicable)

	Governmental Activities	
	2018	2017
Land	\$ 65,343	\$ 65,343
Buildings	533,960	240,681
Data Processing Equipment	358,560	183,101
Law Enforcement Equipment	243,548	194,904
Office Equipment	56,367	73,198
Office Furniture	12,614	14,191
Other Machinery & Equipment	3,874	3,137
Vehicles	2,188,951	1,177,779
Total	\$ 3,463,217	\$ 1,952,334

This year's major capital asset additions include:

- Sheriff vehicles costing approximately \$1.6 million.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

CAPITAL ASSETS (continued)

- Purchase of data processing equipment of approximately \$382,400.
- Purchase of law enforcement and office equipment of \$133,597.
- Purchase of office equipment of approximately \$2,400.
- Purchase of warehouse building and land \$322,042

This year's major capital asset deletions include:

- Various vehicles and law enforcement equipment totaling \$520,799 and \$89,146 of cost and accumulated depreciation; respectively.

The amended budget for capital outlay for the 2017-2018 fiscal year totaled \$2,500,000.

LONG-TERM DEBT

At June 30, 2018, the Sheriff had the following long-term debt outstanding at year end.

	Governmental Activities	
	2018	2017
Capital lease obligations	\$ 139,156	\$ 351,250
Net pension liability	5,526,196	7,987,434
Total	\$ 5,665,352	\$ 8,338,684

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Sheriff is dependent on ad valorem taxes and prisoner housing reimbursement for 73% of its revenues. The economy is not expected to generate significant growth. The Sheriff's 2018-2019 budget reflects ad valorem revenue to increase to \$10.3 million or 3.5%, federal grants increasing by \$26,000 or 108%, prisoner income increasing by \$125,000 or 2.7% and seized assets decreasing by \$200,000 or 66.7%. Expenditures are expected to decrease by \$2,034,500, which is mainly attributed to projected decreases in capital outlay and debt service expenditures. The other revenues and expenditures are expected to be consistent with the amounts from the year ended June 30, 2018. Budgetary fund balance is estimated at approximately \$7.8 million as of June 30, 2018.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Sheriff's finances and to demonstrate the Sheriff's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Tangipahoa Parish Sheriff's Office, 15475 Club Deluxe Road, Hammond, Louisiana 70403.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

STATEMENT OF NET POSITION
JUNE 30, 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS

Cash and cash equivalents	\$ 7,664,162
Accounts receivable	3,175,239
Grant receivable	60,771
Due from other funds	198,843
Due from other governments	137,584
Prepaid expenses	156,077
Non-depreciable capital assets	65,343
Capital assets, net	3,397,874
Total assets	<u>14,855,893</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related	<u>2,252,777</u>
Total deferred outflows of resources	<u>2,252,777</u>

Total assets and deferred outflows of resources	<u><u>\$ 17,108,670</u></u>
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LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

LIABILITIES

Accounts payable	\$ 248,426
Accrued salaries and wages	427,485
Due to other governments	14,343
Long-term liabilities:	
Due within one year	118,497
Due in more than one year	20,659
Net pension liability	5,526,196
Total liabilities	<u>6,355,606</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable revenues	2,481,758
Pension related	<u>1,382,080</u>
Total deferred inflows of resources	<u>3,863,838</u>

NET POSITION

Net investment in capital assets	3,324,061
Restricted for other purposes	207,612
Unrestricted	<u>3,357,553</u>
Total net position	<u>6,889,226</u>

Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 17,108,670</u></u>
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The accompanying notes are an integral part of this financial statement.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Public safety	\$ 20,371,902	\$ 6,478,303	\$ 197,945	\$ (13,695,654)
Interest	18,623	-	-	(18,623)
Total governmental activities	<u>\$ 20,390,525</u>	<u>\$ 6,478,303</u>	<u>\$ 197,945</u>	<u>\$ (13,714,277)</u>

General revenues:

Property taxes	\$ 9,991,521
State revenue sharing	592,143
State supplemental pay	725,422
Investment earnings	145,363
Correctional reimbursements	108,670
Contract reimbursements	792,305
Seized assets	419,123
Self generated fees	278,893
Other reimbursed expenses	183,806
Miscellaneous income	506,581
Total general revenues	<u>13,743,827</u>

Change in net position 29,550

Net position - beginning	6,859,676
Net position - ending	<u>\$ 6,889,226</u>

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

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2018

	General Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash and cash equivalents	\$ 7,594,134	\$ 70,028	\$ 7,664,162
Accounts receivable	3,175,239	-	3,175,239
Grants receivable	60,771	-	60,771
Due from other funds	198,843	-	198,843
Due from other governments	-	137,584	137,584
Prepaid expenses	156,077	-	156,077
TOTAL ASSETS	\$ 11,185,064	\$ 207,612	\$ 11,392,676
<u>LIABILITIES</u>			
Accounts payable	\$ 248,426	\$ -	\$ 248,426
Accrued salaries and wages	427,485	-	427,485
Due to others	14,343	-	14,343
TOTAL LIABILITIES	690,254	-	690,254
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenues	2,481,758	-	2,481,758
TOTAL DEFERRED INFLOWS OF RESOURCES	2,481,758	-	2,481,758
<u>FUND BALANCE</u>			
Nonspendable	156,077	-	156,077
Restricted for other purposes	-	207,612	207,612
Unassigned	7,856,975	-	7,856,975
TOTAL FUND BALANCE	8,013,052	207,612	8,220,664
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 11,185,064	\$ 207,612	\$ 11,392,676

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

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Fund balances - total governmental funds		\$ 8,220,664
Amounts reported for governmental activities in the statement of net position is different because:		
Deferred outflows-pension related		2,252,777
Capital assets used in governmental activities are not current financial resources and, therefore are not reported in the governmental funds		
Capital assets, cost	11,382,835	
Capital assets, accumulated depreciation	<u>(7,919,618)</u>	3,463,217
Long term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds		
Capital lease payable		(139,156)
Net pension liability		(5,526,196)
Deferred inflows-pension related		<u>(1,382,080)</u>
Net position of governmental activities		<u>\$ 6,889,226</u>

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

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Other Governmental Funds	Total
<u>REVENUES</u>			
Taxes - ad valorem	\$ 9,991,521	\$ -	\$ 9,991,521
Intergovernmental:			
Federal grants	40,120	-	40,120
State grants	115,596	42,229	157,825
State revenue sharing	592,143	-	592,143
State supplemental pay	725,422	-	725,422
Bonds and fines	630,109	-	630,109
Civil fees	1,315,803	-	1,315,803
Prison income	4,532,391	-	4,532,391
Correctional reimbursements	108,670	-	108,670
Contract reimbursements	792,305	-	792,305
Interest earned	144,210	1,153	145,363
Seized assets	301,711	117,412	419,123
Self generated fees	278,893	-	278,893
Other reimbursed expenses	183,806	-	183,806
Total Revenues	<u>19,752,700</u>	<u>160,794</u>	<u>19,913,494</u>
<u>EXPENDITURES</u>			
Public Safety			
Salaries	10,099,183	-	10,099,183
Payroll taxes	181,888	-	181,888
Retirement contributions	1,277,072	-	1,277,072
Employee benefits	2,488,490	-	2,488,490
Office expenditures	600,974	-	600,974
Insurance	705,974	-	705,974
Law enforcement	637,026	10,216	647,242
Automobile	876,665	-	876,665
Professional services	394,310	-	394,310
Telephone and utilities	433,560	-	433,560
Federal grant expenditures	16,115	-	16,115
Miscellaneous	442,327	-	442,327
Prison expenditures	1,639,223	-	1,639,223
DARE expenditures	-	42,229	42,229
Capital outlay	2,422,105	1,700	2,423,805
Debt service			
Interest	18,623	-	18,623
Principal	212,094	-	212,094
Total Expenditures	<u>22,445,629</u>	<u>54,145</u>	<u>22,499,774</u>
EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	<u>(2,692,929)</u>	<u>106,649</u>	<u>(2,586,280)</u>
<u>OTHER FINANCING SOURCES</u>			
Proceeds from capital assets	55,058	-	55,058
Total other financial sources	<u>55,058</u>	<u>-</u>	<u>55,058</u>
Net change in fund balance	<u>(2,637,871)</u>	<u>106,649</u>	<u>(2,531,222)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>10,650,923</u>	<u>100,963</u>	<u>10,751,886</u>
FUND BALANCE AT END OF YEAR	<u>\$ 8,013,052</u>	<u>\$ 207,612</u>	<u>\$ 8,220,664</u>

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

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds	\$	(2,531,222)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay	2,423,805	
Depreciation expense	<u>(912,922)</u>	
		1,510,883

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

Payments on capital lease	<u>212,094</u>	212,094
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Non-employer contributions to cost-sharing plan		506,581
Pension expense		<u>331,214</u>

Change in net position of governmental activities	\$	<u>29,550</u>
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The accompanying notes are an integral part of this financial statement.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2018

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 1,640,596
Total Assets	<u>\$ 1,640,596</u>
 LIABILITIES	
Due to general fund	\$ 198,843
Due to inmates	322,143
Due to others	<u>1,119,610</u>
Total Liabilities	<u>\$ 1,640,596</u>

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

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

INTRODUCTION

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

BASIS OF PRESENTATION

The accompanying financial statements of the Tangipahoa Parish Sheriff have been prepared in conformity with 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.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

FUND FINANCIAL STATEMENTS:

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

General fund

The General fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include commissions, 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.

Additionally, the Sheriff reports the following fund types:

Fiduciary funds

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

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. REPORTING ENTITY

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

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

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

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

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

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS (continued)

Revenues (continued)

Intergovernmental revenues and fees, 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 received.

Expenditures

The Sheriff's primary expenditures include salaries, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are recorded as expenditures at the time of purchase.

D. BUDGET PRACTICES

The proposed budget for the year ended June 30, 2018, was made available for public inspection and comments from taxpayers at the Sheriff's office on May 19, 2017. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 10 days prior to the public hearing, which was held at the Sheriff's office on June 20, 2017, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the Sheriff.

All expenditure appropriations lapse at year end. Unexpected appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. CASH AND CASH EQUIVALENTS

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

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. CAPITAL ASSETS

All capital assets are capitalized at historical costs, or estimated historical costs for assets where actual cost is not available. Donated fixed assets are recorded at their fair value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

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

<u>Asset Class</u>	<u>Years</u>
Buildings	30
Building Improvements	10-20
Computer Equipment	3-5
Office Furniture	5-10
Other Machinery and Equipment	5-10
Vehicles	3-5
Law Enforcement Equipment	3-10
Office Equipment	3-10

G. COMPENSATED ABSENCES

Effective July 1, 2004, the Sheriff has the following policy relating to vacation and sick leave:

- a. All full-time employees who have not yet attained his/her fifth anniversary of uninterrupted full-time employment with the Sheriff's Office by the end of the preceding fiscal year, shall earn 3.25 hours of each compensated leave for each 14-day period of employment. Applies to all employees hired after 7/1/2013.
- b. All full-time employees who have attained his/her fifth anniversary of uninterrupted full-time employment with the Sheriff's Office by the end of the preceding fiscal year, shall earn 4.75 hours of each compensated leave for each 14-day pay period of employment. Applies to all employees hired before (after or as of) 7/1/2013.
- c. Employees on leave without pay for more than 50% of a pay period, with the exception of approved mandatory military reserve duty, will not earn any compensated leave for that pay period.
- d. All full-time employees hired after July 1, 2013, shall earn 3.25 hours of each compensated leave for each 14-day pay period per employment.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. COMPENSATED ABSENCES (continued)

An employee will be allowed to carry over 120 hours of annual leave into the next fiscal year. Any annual leave in excess of 120 hours will be forfeited and lost on June 30th each year

Compensated leave will accrue to the employee bank on a pay period basis.

The Sheriff's leave policy does not provide for the vesting or compensation of leave. Due to this, no liability for accrued leave as been recorded at June 30, 2018.

H. ESTIMATES

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

I. INTERFUND ACTIVITY

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

J. NET POSITION IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

For the government-wide statement of net position, the net position is classified and displayed in three components:

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

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

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

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

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. FUND BALANCE OF FUND FINANCIAL STATEMENTS

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

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

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

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

Assigned – represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted or committed.

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

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

L. PENSION PLANS

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

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

In addition, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at that time. The Sheriff has two items that qualify for this category; pension related deferrals and unavailable revenues. This amount is recognized as an inflow of resources in the period that the amount becomes available.

2. AD VALOREM TAXES

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

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2018, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 17.81 mills on property with assessed valuations totaling \$575,918,989.

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes.

	Authorized Millage	Levied Millage	Expiration Date
Law Enforcement District (Maintenance)	7.81	7.81	n/a
Law Enforcement District (Operational)	10.00	10.00	2020

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

3. CASH AND CASH EQUIVALENTS

At June 30, 2018, the Sheriff has unrestricted cash and cash equivalents (book balances) as follows:

Governmental funds:	
Petty cash	\$ 2,650
Interest-bearing demand deposits	<u>7,661,512</u>
Total governmental funds	<u>\$ 7,664,162</u>
Fiduciary funds:	
Interest-bearing demand deposits	<u>\$ 1,640,596</u>
Total fiduciary funds	<u>\$ 1,640,596</u>

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

4. 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 policy for custodial credit risk. At June 30, 2018, the Sheriff has \$10,902,103 in deposits (collected) bank balance. The deposits were secured from risk by federal deposit insurance and pledged securities. As of June 30, 2018, the government's bank balance was not exposed to custodial credit risk.

5. LINE OF CREDIT

The Sheriff's office had a \$3 million line of credit from a local bank secured by all deposit accounts. The interest rate on the line of credit was equal to 6.0 percent and matured September 30, 2017. The line was not renewed.

6. RECEIVABLES

The general fund receivables at June 30, 2018 are as follows:

<u>Class of Receivables</u>	
Fees, charges, and commissions	\$ 143,909
Prisoner housing and reimbursements	187,752
Due from Tangipahoa Parish government	<u>2,843,578</u>
	<u>\$ 3,175,239</u>

The Sheriff and the Tangipahoa Parish government are currently in dispute as to the fiscal responsibility for certain costs and maintenance expenses from the parish jail totaling \$2,481,758. The ultimate outcome is unknown at this time. This balance is recorded in unavailable revenues.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

7. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2018, are as follows:

	Balance 6/30/2017	Additions	Deletions	Balance 6/30/2018
Governmental Activities:				
Capital Assets Not Depreciated:				
Land and Land Improvements	\$ 65,343	\$ -	\$ -	\$ 65,343
Other Capital Assets:				
Buildings	394,691	322,042	-	716,733
Data Processing Equipment	2,127,678	382,463	-	2,510,141
Law Enforcement Equipment	1,532,977	133,597	89,146	1,577,428
Office Equipment	464,692	10,742	-	475,434
Office Furniture	19,675	1,050	-	20,725
Other Machinery & Equipment	6,380	1,375	-	7,755
Vehicles	4,957,539	1,572,536	520,799	6,009,276
	<u>9,568,975</u>	<u>2,423,805</u>	<u>609,945</u>	<u>11,382,835</u>
Less: Accumulated Depreciation				
Buildings	154,010	28,763	-	182,773
Data Processing Equipment	1,944,577	207,004	-	2,151,581
Law Enforcement Equipment	1,338,073	84,953	89,146	1,333,880
Office Equipment	391,494	27,573	-	419,067
Office Furniture	5,484	2,627	-	8,111
Other Machinery & Equipment	3,243	638	-	3,881
Vehicles	3,779,760	561,364	520,799	3,820,325
	<u>7,616,641</u>	<u>912,922</u>	<u>609,945</u>	<u>7,919,618</u>
Governmental Activities				
Capital Assets, net	<u>\$ 1,952,334</u>	<u>\$ 1,510,883</u>	<u>\$ -</u>	<u>\$ 3,463,217</u>

For the year ended June 30, 2018, depreciation expense was \$912,922.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

8. LONG-TERM DEBT

Summary of changes in long-term debt for the year ended June 30, 2018, is as follows:

	Balance 7/1/2017	Additions	Reductions	Balance 6/30/2018
<i>Governmental Activities:</i>				
Capital lease obligations	\$351,250	\$ -	\$212,094	\$139,156
Total	<u>\$351,250</u>	<u>\$ -</u>	<u>\$212,094</u>	<u>\$139,156</u>

The current portion for capital leases as of June 30, 2018 is \$118,497.

The Sheriff had eight capital lease obligations in 2018. The lease payments relating to the items have been capitalized and included in capital assets on the accompanying government-wide financial statements. The leased assets have a cost of \$696,134, and amortization expense, which is included with depreciation expense, recognized on the leases as of June 30, 2018 was \$139,828.

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, 2018.

Year ending June 30 th	
2019	\$ 123,302
2020	19,800
2021	<u>859</u>
Future minimum lease payments	143,961
Less: Amount representing interest	<u>(4,805)</u>
Present value of net minimum payments	<u>\$ 139,156</u>

9. PENSION PLAN

Substantially all employees of the Tangipahoa Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Louisiana Sheriff's Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 219-0500.

Plan Description:

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

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

9. PENSION PLAN (continued)

Members who joined the system on or before December 31, 2011, are eligible for regular retirement benefits upon attaining 30 years of creditable service at any age, or 12 years of creditable service and aged 55 years is entitles 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 January 1, 2012, who retires at or after age 62 with at least 12 years of creditable service, at or after age 60 with at least 20 years of creditable service, or at 55 with 30 years of creditable service is entitled to a retirement benefit payable monthly for life, equal to 3.00 percent. For members with 30 or more years of service; the accrual rate is 3.33 percent. The retirement allowance is equal to the benefit accrual times the member's final average compensation each year of creditable service. In any case, the retirement benefit cannot exceed 100 percent of their final average salary. Members with 20 or more years of service may retire with a reduced retirement at age 55. For members eligible on or before June 30, 2006, final average compensation is based on the average monthly earning during the highest consecutive 36 months (60 highest consecutive months for member employed between July 1, 2006 and July 1, 2013) or joined months if service was interrupted. The earnings to be considered for each 12-month period within the 36-month (or 60 month) period shall not exceed 125% of the preceding 12 months. For members joining after July 1, 2013, final compensation is based on the average monthly earnings during the highest 60 consecutive months and the earnings to be considered for each 12-month period within the 60 months shall not exceed 115% of the preceding 12-month period.

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

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 exceed 100%. If a member dies with no surviving spouse, surviving children under the age of eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average Compensation if there are more than 4 children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

9. PENSION PLAN (continued)

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

The fund does provide for deferred benefits for vested members who terminate before being eligible for retirement. Benefits become payable once the member reaches the appropriate age for retirement. In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the times a member first become eligible for retirement and his actual date of retirement. For those individuals with thirty or more years, Back-DROP period is the lesser of four years of service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement the member's maximum monthly retirement benefit is based upon his service, final average compensation and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplies by the number of months in the Back-DROP period. In addition, the member's Back-DROP account will be credited with employee contributions received by the retirement fund during the Back-DROP period. Participants have the option to opt out of this program and take a distribution, if eligible, or to rollover the assets to another qualified plan.

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

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 13.25%. In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2018.

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary. The contribution requirements of plan members and the Tangipahoa Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

9. PENSION PLAN (continued)

results of the valuation for the prior fiscal year. The Tangipahoa Parish Sheriff's contributions to the System, for years ending June 30, 2018, 2017, and 2016, were \$1,205,818, \$1,171,226 and \$1,178,161; respectively.

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

At June 30, 2018, the Sheriff reported a liability of \$5,526,196 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Sheriff's proportion was 1.27618%, which was a decrease of 0.017698% from its proportion measured as of June 30, 2016.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differenced between expected and actual experience	\$ -	\$ (961,983)
Changes in assumptions	972,363	-
Net difference between projected and actual earning on pension plan investments	-	(79,318)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	74,596	(340,779)
Employer contributions subsequent to the measurement date	1,205,818	-
Total	<u>\$ 2,252,777</u>	<u>\$ (1,382,080)</u>

The Sheriff reported a total of \$1,205,818 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2017 which will be recognized as a reduction in net pension liability in the year ended June 30, 2018.

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

Year	
2019	(350,442)
2020	240,100
2021	96,649
2022	(406,411)
2023	50,015
2024	34,969
	<u>\$ (335,121)</u>

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

9. PENSION PLAN (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 is as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years
Investment Rate of Return	7.50%, net of investment expense
Discount Rate	7.4%
Projected salary increases	5.5% (2.775% inflation, 2.725% 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 Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees 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-estimates 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. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity securities	60%	4.4%
Bonds	25	0.7
Alternative Investments	15	0.6
Total	100%	5.7%
Inflation		2.6
Expected Arithmetic Nominal Return		8.3%

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

9. PENSION PLAN (continued)

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 7.4%. 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 Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSPRF			
Rates	6.4%	7.4%	8.4%
TPSO Share of NPL	\$11,385,420	\$5,526,196	\$596,456

Amounts Payable to Pension Plans

The Sheriff had a payable to the Retirement System at June 30, 2018 in the amount of \$43,424.

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

The Sheriff's office and various substations are located in parish owned buildings. Expenditures for maintenance and operation, as required by state statute, are paid by the Tangipahoa Parish Council and are not included in the accompanying financial statements.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

11. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to taxing bodies and other follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Agency Funds:				
Civil Fund	\$458,353	\$5,665,226	\$5,438,443	\$685,136
Criminal Bond Fund	226,320	2,901,636	2,923,693	204,263
Tax Collector Trust Fund	379,557	56,895,715	57,020,944	254,328
Work Release Inmate	497,094	3,441,546	3,441,771	496,869
Total	<u>\$1,561,324</u>	<u>\$68,904,123</u>	<u>\$68,824,851</u>	<u>\$1,640,596</u>

12. LITIGATION AND CLAIMS

At June 30, 2018, the Sheriff was involved in several lawsuits. In the opinion of the Sheriff's legal counsel, the ultimate resolution of these claims would not create a liability to the Sheriff in excess of existing insurance coverage.

13. DUE TO/FROM OTHER FUNDS

During the year, the general fund records receivables for its portion of fines, taxes, bonds or fees collected by fiduciary funds and due to others for any advances to these funds. Individual balances due to/from other funds at June 30, 2018 are as follows:

	Due To Other Funds	Due From Other Funds
Governmental:		
General Fund	\$ -	\$198,843
Subtotal – Governmental funds	<u>-</u>	<u>198,843</u>
Fiduciary Funds:		
Work Release Inmate	118,859	-
Criminal	12,401	-
Tax Collector	20,713	-
Civil	46,870	-
Subtotal – Fiduciary funds	<u>198,843</u>	<u>-</u>
TOTAL	<u>\$ 198,843</u>	<u>\$ 198,843</u>

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

14. EX-OFFICIO TAX COLLECTOR

The amount of cash on hand at the end of the year was \$105,077.

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

<u>Taxing Authority</u>	<u>Taxes Collected</u>
Downtown Development, City of Hammond	\$272,418
Gravity Drainage District #1	4,576,211
Gravity Drainage District #4	207,769
Gravity Drainage District #5	70,366
Fire Protection District #1	570,276
Florida Parish Juvenile Justice	1,567,282
Independence Recreation District	172,023
LA Agriculture & Forestry Commission	18,334
Louisiana Tax Commission	23,629
Mosquito Abatement	2,277,022
Ponchatoula Recreation District	1,836,988
Tangipahoa Parish Assessor	2,661,503
Tangipahoa Parish Council	6,992,555
Tangipahoa Parish Library	3,311,229
Tangipahoa Parish School Board	7,045,348
Tangipahoa Parish Sheriff	10,150,175
Tangipahoa Parish Hospital	204,469
Hammond Recreation District #1	2,834,170
Tangipahoa Parish Rural Fire	5,483,281
Whitney Bank Corporate Trust	460,126
Total	<u>\$50,735,174</u>

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

14. EX-OFFICIO TAX COLLECTOR (continued)

The amount of taxes assessed and uncollected by the specified taxing authority is presented below.

<u>Taxing Authority</u>	<u>Uncollected Taxes</u>
Downtown Development, City of Hammond	\$1,707
Gravity Drainage District #1	6,774
Gravity Drainage District #4	533
Gravity Drainage District #5	244
Fire Protection District #1	1,515
Florida Parish Juvenile Justice	2,457
Independence Recreation District	352
LA Agriculture & Forestry Commission	2
Mosquito Abatement	3,157
Ponchatoula Recreation District	2,403
Tangipahoa Parish Assessor	4,173
Tangipahoa Parish Council	10,584
Tangipahoa Parish Library	5,192
Tangipahoa Parish School Board	10,217
Tangipahoa Parish Sheriff	15,915
Tangipahoa Parish Hospital	533
Hammond Recreation District #1	4,191
Tangipahoa Parish Rural Fire	7,948
Whitney Corporate Trust	1,169
Total	<u>\$79,066</u>

The above amounts represent taxes assessed and uncollected by the specified taxing authority. Failure to collect these taxes is due to bankruptcies or the fact that the property is considered moveable, and therefore, it cannot be sold at a property tax sale.

The amount of collection on behalf of other taxing authorities is as follows:

<u>Taxing Authority</u>	<u>Tangipahoa Parish Council</u>	<u>Tangipahoa Parish Tourist Commission</u>	<u>Commission to Tangipahoa Parish Sheriff</u>	<u>Final Distribution</u>
Occupational License	\$885,615	\$-	\$156,285	\$1,041,900
Occupancy Tax (Hotel/Motel)	-	827,123	43,533	870,656
Totals	<u>\$885,615</u>	<u>\$827,123</u>	<u>\$199,818</u>	<u>\$1,912,556</u>

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

14. EX-OFFICIO TAX COLLECTOR (continued)

Tangipahoa Parish Sheriff's Office does not collect sales tax, public utility, insurance premiums, gaming admissions, or any other taxes other than ad valorem tax, occupancy tax, and occupational licenses for taxing authorities.

15. TAX ABATEMENTS

The Sheriff is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP"). For the fiscal year ending June 30, 2018, the government participated in the Industrial Tax Exemption Program.

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

Taxes abated for the fiscal year ended June 30, 2018 were as follows:

	<u>Total</u>
Tax Abatement Program	
Industrial Tax Exemption Program	<u>\$ 203,459</u>
	<u>\$ 203,459</u>

16. SUBSEQUENT EVENTS

The Sheriff's office has evaluated subsequent events through the date that the financial statements were available to be issued, October 10, 2018, and determined the following events occurred that required disclosure. No events after October 10, 2018 have been considered for disclosure in the notes to the financial statement.

As disclosed in Note 6 to the financial statements, the Sheriff is currently in a legal dispute with Tangipahoa Parish Council. A hearing is set for December 15, 2018 at which time a ruling will be issued.

REQUIRED
SUPPLEMENTARY INFORMATION – PART III

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual
<u>REVENUES</u>			
Ad valorem taxes	\$ 9,900,000	\$ 9,950,000	\$ 9,991,521
Intergovernmental revenues:			
Federal grants	100,000	24,000	40,120
State grants	56,169	87,000	115,596
State revenue sharing	602,000	592,000	592,143
State supplemental pay	700,000	720,000	725,422
Bonds and fines	600,000	700,000	630,109
Civil fees	1,100,000	1,250,000	1,315,803
Prison income	4,800,000	4,675,000	4,532,391
Correctional reimbursements	205,000	108,000	108,670
Contract reimbursements	785,000	800,000	792,305
Use of money and property:			
Interest earned	40,000	115,000	144,210
Seized assets	50,000	300,000	301,711
Self generated fees	200,000	275,000	278,893
Other reimbursed expenses	235,000	200,000	183,806
Total Revenues	<u>19,373,169</u>	<u>19,796,000</u>	<u>19,752,700</u>
<u>EXPENDITURES</u>			
Public Safety			
Salaries	9,702,500	9,975,000	10,099,183
Payroll taxes	175,000	188,000	181,888
Retirement contributions	1,500,000	1,500,000	1,277,072
Employee benefits	2,126,000	2,335,000	2,488,490
Office expenditures	475,000	600,000	600,974
Insurance	975,000	975,000	705,974
Law enforcement	575,000	586,000	637,026
Automobile	765,000	875,000	876,665
Professional services	335,000	450,000	394,310
Telephone and utilities	335,000	430,000	433,560
Grant federal expenditures	10,000	24,000	16,115
Miscellaneous	5,000	2,500	442,327
Prison expenditures	1,450,000	1,650,000	1,639,223
DARE expenditures	-	20,000	-
Capital outlay	760,000	2,500,000	2,422,105
Debt service			
Interest	16,000	19,000	18,623
Capital lease expense	330,000	225,000	212,094
Total Expenditures	<u>19,534,500</u>	<u>22,354,500</u>	<u>22,445,629</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(161,331)</u>	<u>(2,558,500)</u>	<u>(2,692,929)</u>
<u>OTHER FINANCING SOURCES</u>			
Operating transfers in (out)	100,000	(325,000)	-
Sales of capital assets	5,000	19,705	-
Proceeds from capital leases	306,000	-	55,058
Total other financial sources	<u>411,000</u>	<u>(305,295)</u>	<u>55,058</u>
Net change in fund balance	<u>249,669</u>	<u>(2,863,795)</u>	<u>(2,637,871)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>10,599,748</u>	<u>10,650,922</u>	<u>10,650,923</u>
FUND BALANCE AT END OF YEAR	<u>\$ 10,849,417</u>	<u>\$ 7,787,127</u>	<u>\$ 8,013,052</u>

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

SCHEDULE OF THE SHERIFF'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018 (*)

<u>Pension Plan</u>	<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Louisiana Sheriff's Pension and Relief Fund						
	2018	1.2762%	\$ 5,526,196	\$ 8,839,432	58.4325%	88.49%
	2017	1.2585%	\$ 7,987,434	\$ 8,568,444	90.3614%	82.10%
	2016	1.2606%	\$ 5,619,227	\$ 8,358,101	65.5805%	86.61%
	2015	1.3022%	\$ 5,156,727	\$ 8,293,566	61.6974%	87.34%

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

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

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

SCHEDULE OF TANGIPAHOA PARISH SHERIFF'S CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2018

<u>Pension Plan</u>	<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as of % of Covered Payroll</u>
Louisiana Sheriff's Pension and Relief Fund						
	2018	\$ 1,205,818	\$ 1,205,818	\$ -	\$ 9,457,397	12.75%
	2017	\$ 1,171,226	\$ 1,171,226	\$ -	\$ 8,839,432	13.25%
	2016	\$ 1,178,161	\$ 1,178,161	\$ -	\$ 8,568,444	13.75%
	2015	\$ 1,191,029	\$ 1,191,029	\$ -	\$ 8,358,101	14.25%

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

OTHER SUPPLEMENTARY INFORMATION – PART IV

TANGIPAHOA PARISH SHERIFF

AMITE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS DESCRIPTIONS

SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose.

D.A.R.E. FUND

The DARE fund is used to provide education and awareness to students in order to prevent use of controlled drugs and violent behavior. The program enables students to interact with police officers or sheriffs in a controlled, safe, classroom environment.

TRI-PARISH FUND

The Tri-Parish fund provides funding for law enforcement drug task force in the surrounding parishes of Tangipahoa, Livingston, and St. Helena.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2018

	<u>DARE Fund</u>	<u>Tri-Parish Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 7,046	\$ 62,982	\$ 70,028
Due from other governments	-	137,584	137,584
Total assets	<u>\$ 7,046</u>	<u>\$ 200,566</u>	<u>\$ 207,612</u>
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Total liabilities	-	-	-
<u>FUND BALANCE</u>			
Restricted for other purposes	7,046	200,566	207,612
Total fund balance	7,046	200,566	207,612
Total liabilities and fund balance	<u>\$ 7,046</u>	<u>\$ 200,566</u>	<u>\$ 207,612</u>

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2018

	<u>DARE Fund</u>	<u>Tri-Parish Fund</u>	<u>Total</u>
<u>REVENUES</u>			
Intergovernmental			
State grants	\$ 42,229	\$ -	\$ 42,229
Use of money and property:			
Interest	105	1,048	1,153
Seized assets	-	117,412	117,412
Total Revenues	<u>42,334</u>	<u>118,460</u>	<u>160,794</u>
<u>EXPENDITURES</u>			
Public safety:			
Law enforcement	-	10,216	10,216
DARE expenditures	42,229	-	42,229
Capital outlay	-	1,700	1,700
Total Expenditures	<u>42,229</u>	<u>11,916</u>	<u>54,145</u>
Excess of Revenues over Expenditures	105	106,544	106,649
Fund Balance at beginning of year	<u>6,941</u>	<u>94,022</u>	<u>100,963</u>
Fund Balance at end of year	<u><u>\$ 7,046</u></u>	<u><u>\$ 200,566</u></u>	<u><u>\$ 207,612</u></u>

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

GENERAL DESCRIPTIONS
AGENCY FUNDS
JUNE 30, 2018

CIVIL BOND FUND

The Civil Fund accounts for funds held in civil suits, sheriff's sales, and garnishments and payments of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

CRIMINAL BOND FUND

The Criminal Bond Fund accounts for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and others in accordance with applicable laws.

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974 provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies. Hotel and motel transactions also run through the tax collector fund.

WORK RELEASE INMATE FUND

The Work Release Inmate Fund accounts for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates for payroll checks and withholdings of inmate expenses.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

AGENCY FUNDS
SCHEDULE OF CHANGES IN BALANCES DUE TO TAXING BODIES AND OTHERS
FOR THE YEAR ENDED JUNE 30, 2018

	Civil Bond	Criminal Bond	Tax Collector	Work Release Inmate	Total
<u>BALANCES AT BEGINNING OF YEAR</u>	<u>\$458,353</u>	<u>\$226,320</u>	<u>\$379,557</u>	<u>\$497,094</u>	<u>\$1,561,324</u>
<u>ADDITIONS</u>					
Deposits:					
Sheriff's sales and garnishments	5,665,226	-	-	-	5,665,226
Fines and costs	-	2,901,636	-	-	2,901,636
Receipts from inmates	-	-	-	3,441,546	3,441,546
Taxes, fees, etc. paid to tax collector	-	-	56,895,715	-	56,895,715
Total additions	<u>5,665,226</u>	<u>2,901,636</u>	<u>56,895,715</u>	<u>3,441,546</u>	<u>68,904,123</u>
<u>REDUCTIONS</u>					
Taxes, fees, etc. distributed to taxing bodies and others	-	-	57,020,944	-	57,020,944
Distribution to inmates	-	-	-	3,441,771	3,441,771
Deposits settled	5,438,443	2,923,693	-	-	8,362,136
Total reductions	<u>5,438,443</u>	<u>2,923,693</u>	<u>57,020,944</u>	<u>3,441,771</u>	<u>68,824,851</u>
<u>BALANCES AT END OF YEAR</u>	<u>\$ 685,136</u>	<u>\$ 204,263</u>	<u>\$ 254,328</u>	<u>\$ 496,869</u>	<u>\$ 1,640,596</u>

STATE OF LOUISIANA, PARISH OF TANGIPAHOA

AFIDAVIT

Daniel H. Edwards, Sheriff of Tangipahoa Parish

BEFORE ME, the undersigned authority, personally came and appeared, Daniel H. Edwards, the sheriff of Tangipahoa Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$259,234.83 is the amount of cash on hand and in the tax collector account on June 30, 2018.

He further deposed and said:

All itemized statements of the amounts of taxes collected for tax year 2017, 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.



Signature

Sheriff of Tangipahoa Parish

SWORN to and subscribed before me, Notary, this 19th day of September, 2018, in my office in Hammond, Louisiana.

 (Signature)

(Print), #
Celeste H. Shields, Notary Public
200 North Cate Street, Hammond, LA 70401
LA Bar Roll # 33389 / Notary # 91186 (Commission)
My commission expires at death

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2018

Agency Head Name/Title: Daniel Edwards, Sheriff

Purpose	Amount
Salary	\$ 160,338
Benefits-insurance (health)	7,674
Benefits-retirement	23,288
Deferred compensation	10,625
Benefits-other (dental)	125
Benefits-other (GTL)	2,394
Dues	14,279
Per diem	788
Reimbursements	920
Travel	355
Registration fees	1,195
Conference travel	4,439
	\$ 226,420



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

Honorable Daniel Edwards
Amite, 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, the major fund, and the aggregate remaining fund information of the Tangipahoa Parish Sheriff, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Tangipahoa Parish Sheriff's Office basic financial statements, and have issued our report thereon dated October 10, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tangipahoa 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 Tangipahoa Parish Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of Tangipahoa 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 timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Diéz, Dupuy & Ruiz

Gonzales, Louisiana
October 10, 2018

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Tangipahoa Parish Sheriff were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Tangipahoa Parish Sheriff which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None noted

C. FINDINGS – COMPLIANCE

None noted

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2018

A. FINDINGS – FINANCIAL STATEMENT AUDIT

None noted

B. FINDINGS- COMPLIANCE

None noted

TANGIPAHOA PARISH SHERIFF
AGREED-UPON PROCEDURES REPORT
FOR THE YEAR ENDED JUNE 30, 2018



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Sheriff Daniel Edwards and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Tangipahoa Parish Sheriff (the Sheriff) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Sheriff's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. 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 above.

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

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

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

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

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

Written policies and procedures do not address management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

Management's Response: Policy will be amended to include the actions required to determine the completeness of all collections for each type of revenue or agency fund additions.

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

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

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

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

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

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

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

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

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

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

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

No policy was provided.

Management's response: We will consider adopting a policy.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Since the Sheriff does not have a board, members of management formed an Enforcement and Corrections committee. We obtained and reviewed minutes of the meetings noting the committee met monthly beginning in October 2017 with a quorum.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Obtained and observed minutes of the management committee for the fiscal period noting that the minutes included monthly budget-to-actual comparisons and monthly financial statements for the general fund.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

The general fund reported a positive unrestricted fund balance in prior fiscal year audit report.

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:

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

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

Obtained bank reconciliations for the month selected noting that reconciliations have been 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

The bank reconciliations included evidence that a member of management, who does not handle cash, post ledgers, or issue checks, has reviewed each bank reconciliation.

- 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 month selected noting there were not any outstanding items for more than 12 months from the statement closing date.

Collections

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

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

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

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

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

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

Sequentially numbered receipts were not used.

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

Collection documentation and deposit slip supported the cash collections.

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

Deposit slips agree to the actual deposit per the bank statement without exception.

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

Deposits were made without exception.

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

Deposits per bank statement agree to the general ledger without exception.

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 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.

Observed that the employee responsible for processing payments is prohibited from adding/modifying vendor files.

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

The employee who processes payments also mails the checks after signatures are obtained.

Management's response: An employee who is not responsible for processing payments will mail the payments going forward.

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.

The disbursement matched the related original invoice.

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

The disbursement documentation included evidence of segregation of duties tested under #9.

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

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

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

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

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

No exceptions noted.

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

Not applicable.

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

No exceptions noted.

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

Reimbursements selected were supported by documentation of reviewal and approval in writing by someone other than the traveler without exception.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

Payroll and Personnel

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

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

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

Ethics

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

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

Documentation obtained supported each employee/official completed one hour of ethics training during the fiscal period with the exception of one employee; however, the Sheriff's office tracks ethics training on a calendar year basis rather than on a fiscal year.

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

No documentation was available to support each employee/official attested through signature verification that he or she has read the Sheriff's ethics policy during the fiscal year without exception.

Management's response: Procedures have been implemented to ensure all employees attest through signature verification that he or she has read the ethics policy.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

No debt was issued during the fiscal period.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Obtained listing of leases outstanding and management's representation that listing was complete. There are no debt covenants.

Other

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

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

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

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

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.

Diez, Dupuy & Ruiz

Gonzales, Louisiana
October 10, 2018