

*Financial Report*

*Terrebonne Parish Sheriff*

*Houma, Louisiana*

*For the year ended June 30, 2017*

***Terrebonne Parish Sheriff***

***Houma, Louisiana***

***For the year ended June 30, 2017***

# TABLE OF CONTENTS

## Terrebonne Parish Sheriff

As of and for the year ended June 30, 2017

	<u>Exhibit</u>	<u>Page Number</u>
<b>Introductory Section</b>		
Title Page		i
Table of Contents		ii - iv
<b>Financial Section</b>		
Independent Auditor's Report		1 - 3
Management's Discussion and Analysis		4 - 9
Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	A	10
Statement of Activities	B	11
Governmental Fund Financial Statements:		
Balance Sheet	C	12
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	D	13
Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance	E	14
Reconciliation of the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	F	15
Statement of Fiduciary Fund	G	16
Notes to Financial Statements	H	17 - 41

**TABLE OF CONTENTS**  
**(Continued)**

	<u>Exhibit</u>	<u>Page Number</u>
<b>Required Supplementary Information Section</b>		
Statement of Revenues, Expenditures and Changes In Fund Balance - Budget and Actual – General Fund	I	42
Notes to Budgetary Comparison Schedule	J	43
Schedule of Funding Progress for the OPEB Plan	K	44
Schedule of the Sheriff's Proportionate Share of the Net Pension Liability	L	45
Schedule of Sheriff Contributions	M	46
<b>Supplementary Information Section</b>	<u>Schedule</u>	
Combining Statement of Changes in Agency Fund Assets	1	47
Schedule of Ad Valorem Taxes Collected and Assessed and Uncollected	2	48
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	3	49
Affidavit of Cash on Hand and of Taxes Collected and Assessed and Uncollected	4	50
<b>Special Reports Of Certified Public Accountants</b>		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		51 - 52
Schedule of Findings and Responses		53
<b>Reports By Management</b>		
Schedule of Prior Year Findings and Responses		54
Management's Corrective Action Plan		55

**TABLE OF CONTENTS**  
**(Continued)**

	<u>Schedule</u>	<u>Page Number</u>
<b>Agreed-Upon Procedures</b>		
Independent Auditor's Report on Applying Agreed-Upon Procedures		56
Schedule of Procedures and Associated Findings of the Agreed-Upon Procedures	5	57 – 74

**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Jerry Larpenter,  
Terrebonne Parish Sheriff,  
Houma, Louisiana.

We have audited the accompanying financial statements of the governmental activities, the General Fund and the Fiduciary Fund of the Terrebonne Parish Sheriff (the Sheriff), State of Louisiana, as of and for the year ended June 30, 2017, 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller 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 Sheriff'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 Sheriff'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, General Fund, and Fiduciary Fund of the Sheriff as of June 30, 2017, and the respective changes in financial position of the governmental activities and General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 9), Budgetary Comparison Schedule, the Schedule of Funding Progress for the OPEB Plan, the Schedule of the Sheriff's Proportionate Share of the Net Pension Liability and the Schedule of Sheriff Contributions (Exhibits I through M on pages 42 through 46) 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 supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information section, Schedules 1 through 3 on pages 47 through 49, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional audit procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules 1 through 3 are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The supplementary information in Schedule 4 on page 50, Affidavit of Cash on Hand and of Taxes Collected and Assessed and Uncollected, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion or provide any assurance on it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2017 on our consideration of the Sheriff's internal control over financial reporting and 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.

*Bougeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
December 21, 2017.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Terrebonne Parish Sheriff**

The Management's Discussion and Analysis of the Terrebonne Parish Sheriff (the Sheriff) financial performance presents a narrative overview and analysis of the Sheriff's financial activities for the year ended June 30, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

As of June 30, 2017, the Sheriff had a deficit net position of \$24,105,531 for the fiscal year 2017, which represents a 34.45% decrease from last fiscal year.

The Sheriff's revenues decreased \$2,167,897, or 7.54% mainly because of the net effect of the decrease in sales taxes, and charges for services.

The Sheriff's expenses increased \$590,054, or 1.83% due to increases in personal services.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Sheriff's financial statements. The Sheriff's annual report consists of five parts: (1) management's discussion and analysis (this section) (2) basic financial statements (3) required supplementary information (4) supplementary information and (5) various governmental compliance reports and schedules by certified public accountants and management.

The basic financial statements include two kinds of statements that present different views of the Sheriff:

#### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Sheriff's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the Sheriff's assets, deferred outflow of resources, liabilities and deferred inflow of resources, with the difference reported as net position (deficit). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Sheriff is improving or deteriorating. The Statement of Activities presents information showing how the Sheriff's net position changed during each fiscal year. All changes are reported regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Sheriff is public safety. The government-wide financial statements are presented on pages 10 and 11 of this report.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations and maintains two types of funds, governmental and fiduciary fund types.

### ***Governmental Fund***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Sheriff maintains one individual governmental fund. Information is presented in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund. The governmental fund financial statements can be found in pages 12 through 15 of this report.

### ***Fiduciary Fund***

Fiduciary funds are used to account for resources held for the benefit of parties outside the Sheriff. These funds report taxes collected for other taxing bodies, deposits held pending a court action and the individual prison inmate accounts. While these funds represent a trust responsibility, these assets are restricted in purpose and do not represent assets of the Sheriff. Therefore, these assets are not presented as part of the government-wide financial statements. The Statement of Fiduciary Fund can be found on page 16 of this report.

## **Notes to the Financial Statements**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 17 of this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations, a funding progress schedule on the Sheriff's OPEB Plan, a schedule of the proportionate share of net pension liability and a schedule of Sheriff contributions. A budgetary comparison statement is included as "required supplementary information" for the General Fund. This statement demonstrates compliance with the Sheriff's adopted and final revised budget. Required supplementary information can be found on pages 42 through 46 of this report.

Immediately following the required supplementary information section is the supplementary information section consisting of a Combining Statement of Changes in Agency Fund Assets and a Schedule of Ad valorem Taxes Collected and Assessed and Uncollected, which presents detail changes in the Sheriff's agency funds and ad valorem tax information for the year ended June 30, 2017. A Schedule of Compensation, Benefits, and Other Payments to Agency Head of Chief Executive Officer is also presented in the supplementary information section.

An affidavit of cash on hand and of taxes collected and assessed and uncollected, as required by the State of Louisiana, is presented in supplementary information on page 50.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the Sheriff's financial position. As of June 30, 2017, net position is a deficit of \$24,105,531. A portion of the Sheriff's net position, \$5,095,312, reflects its net investment in capital assets (e.g., land, furniture and fixtures, boats and vehicles, weapons and equipment, and buildings). Consequently, these assets are not available for future spending.

#### **Condensed Statements of Net Position**

	June 30,		Dollar Change
	2017	2016	
Current and other assets	\$ 2,420,114	\$ 5,056,955	\$ (2,636,841)
Capital assets	5,095,312	5,132,770	(37,458)
Total assets	<u>7,515,426</u>	<u>10,189,725</u>	<u>(2,674,299)</u>
Deferred Outflows of Resources	<u>7,573,257</u>	<u>3,689,584</u>	<u>3,883,673</u>
Total assets and deferred outflows of resources	<u>15,088,683</u>	<u>13,879,309</u>	<u>1,209,374</u>
Current liabilities	917,994	876,495	41,499
Long-term liabilities	36,761,372	28,599,822	8,161,550
Total liabilities	<u>37,679,366</u>	<u>29,476,317</u>	<u>8,203,049</u>
Deferred Inflows of Resources	<u>1,514,848</u>	<u>2,341,101</u>	<u>(826,253)</u>
Total liabilities and deferred inflows of resources	<u>39,194,214</u>	<u>31,817,418</u>	<u>7,376,796</u>
Net Position:			
Net investment in capital assets	5,095,312	5,132,770	(37,458)
Restricted	326,446	527,762	(201,316)
Unrestricted (deficit)	<u>(29,527,289)</u>	<u>(23,589,641)</u>	<u>(5,937,648)</u>
Total net position	<u>\$ (24,105,531)</u>	<u>\$ (17,929,109)</u>	<u>\$ (6,176,422)</u>

## Governmental Activities

Governmental activities decreased the Sheriff's net position by \$6,176,422. Key elements of this decrease are as follows:

### Condensed Statement of Activities

	For the years ended		Dollar Change	Total Percent Change
	June 30,			
	2017	2016		
<b>Revenues:</b>				
Program:				
Charges for services	\$ 7,273,093	\$ 8,049,964	\$ (776,871)	-9.65%
Capital grants and contributions	56,532	48,221	8,311	17.24%
Operating grants and contributions	1,832,495	1,691,423	141,072	8.34%
General:				
Ad valorem taxes	6,990,666	7,021,876	(31,210)	-0.44%
Sales taxes	9,471,098	10,893,025	(1,421,927)	-13.05%
Grants not restricted to specific programs	969,006	1,051,216	(82,210)	-7.82%
Unrestricted investment earnings	177	5,239	(5,062)	-96.62%
Total revenues	<u>26,593,067</u>	<u>28,760,964</u>	<u>(2,167,897)</u>	<u>-7.54%</u>
<b>Program Expenses:</b>				
Public safety	<u>32,769,489</u>	<u>32,179,435</u>	<u>590,054</u>	<u>1.83%</u>
Decrease in net position	(6,176,422)	(3,418,471)	(2,757,951)	80.68%
Net position (deficit), beginning of year	(17,929,109)	(14,510,638)	(3,418,471)	23.56%
Net position (deficit), end of year	<u>\$ (24,105,531)</u>	<u>\$ (17,929,109)</u>	<u>\$ (6,176,422)</u>	<u>-34.45%</u>

Revenues decreased because of the net effect of the decrease in charges for services and the decrease in sales taxes during the year. The decrease in charges for services was mainly due to the decreases of approximately \$964,000 in the keeping, feeding and transporting of prisoners. Also, in the prior year the Sheriff recognized \$500,000 of revenue related to the Deepwater Horizon Settlement Program spill which was a non-recurring source. Sales tax revenue declined by approximately \$1,420,000 due to slow downs in the local economy. Program expenditures increased due to the increase in personal services. The increase in personal services is attributable to increases, of approximately \$469,000, related to participation in the Sheriff Pension and Relief Fund. Other increases in personal services were largely offset by decreases in operation and maintenance expenses.

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Sheriff uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The focus of the Sheriff's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Sheriff's financing requirements. The General Fund is the chief operating fund of the Sheriff. It is used to account for all

financial resources except those that are required to be accounted for in another fund. The Sheriff's total General Fund balance decreased by \$2,687,340 during the current fiscal year and the unassigned fund balance component of the General Fund's fund balance was \$1,079,530 and is available for spending at the Sheriff's discretion. The remainder of the General Fund's fund balance of \$422,590 is comprised of \$58,905 of resources in a nonspendable form, \$326,446 of restricted resources and \$37,239 of assigned resources. During fiscal year the General Fund issued and repaid revenue anticipation notes in the amount of \$3,000,000. This represented an increase of \$2,000,000 over 2016.

### **Fiduciary Funds**

These funds are used as depositories for civil suits, cash bonds, taxes, fees and other custodial funds. Disbursements from these funds are made to various parish agencies, litigants in suits, etc. in the manner prescribed by law. These funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The activity from these funds are excluded from the Sheriff's government-wide financial statements because the Sheriff cannot use these assets to finance operations.

### **General Fund Budgetary Highlights**

The budgetary comparison schedule for the General Fund displays original and final budgets and actual, with a variance column showing the favorable or (unfavorable) differences of actual with the final budget. The budget was amended once during the year. The major differences between the original General Fund budget and the final amended budget were as follows:

#### Revenues

- Sales tax revenue decreased by \$550,000 to reflect the actual collections received during the year.
- Contract services increased by \$292,000 to reflect increases in collections on contracts.
- Civil and criminal fees decreased by \$188,000 to reflect the increase in collections.
- Feeding, keeping and transporting prisoners decreased by \$925,814 to reflect the reimbursement for prisoner feeding, prison maintenance and transportation of prisoners.
- Other fees, charges, and commissions for services increased \$921,628 to reflect actual receipts of grants not restricted to specific programs.

#### • Expenditures

- Personal services and related benefits decreased by \$967,051 because of the decrease in pay raises and reduction of benefits in the current year.
- Operation and maintenance decreased by \$251,472 to reflect the decreases in various maintenance, supply, and repair accounts.
- Capital outlay increased \$337,039 due to the purchases of vehicles, deputy equipment, and radios.

## **CAPITAL ASSETS**

### **Capital Assets**

The Sheriff's investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$5,095,312 (net of accumulated depreciation). This investment in capital assets includes land, furniture and fixtures, boats and vehicles, weapons and equipment, and buildings and improvements (see table on next page).

	<u>2017</u>	<u>2016</u>
Land	\$ 338,500	\$ 338,500
Furniture and fixtures	326,501	415,235
Boats and vehicles	2,304,749	2,265,870
Weapons and equipment	524,870	421,083
Buildings	<u>1,600,692</u>	<u>1,692,082</u>
	<u>\$ 5,095,312</u>	<u>\$ 5,132,770</u>

Capital asset additions for the year were \$1,133,302 and reductions were \$730,293. Depreciation expense for the year was \$1,123,198.

Major capital asset additions during the current fiscal year included the following:

- Completing all improvements to the rifle range.
- Addition of 3 K-9's.
- Addition of 23 radios.
- Addition of 25 tasers.
- Addition of 24 tactical entry vests, and 103 bullet proof vests.
- Addition of 24 new vehicles.

Additional information on the Sheriff's capital assets can be found in Note 6, Exhibit H of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Approximately 63% of the Sheriff's budgeted revenues are derived from ad valorem and sales taxes. Revenues and expenses in total are expected to remain stable.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Sheriff's finances for all those with an interest in the Sheriff's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Jerry Larpenier, Terrebonne Sheriff and Tax Collector, P.O. Box 1670, Houma, LA. 70361.

**STATEMENT OF NET POSITION****Terrebonne Parish Sheriff**

June 30, 2017

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and interest-bearing deposits	\$ 549,561
Receivables:	
Due from other governmental units	807,569
Sales and use taxes	874,014
Accounts	130,065
Prepaid items	58,905
Capital Assets:	
Non-depreciable	338,500
Depreciable, net of accumulated depreciation	<u>4,756,812</u>
Total assets	7,515,426
<b>Deferred Outflow of Resources - Pensions</b>	<u>7,573,257</u>
Total assets and deferred outflow of resources	<u>15,088,683</u>
<b>Liabilities</b>	
Accounts and other accrued payables	917,994
Long-term liabilities:	
Due within one year	394,262
Due after one year	<u>36,367,110</u>
Total liabilities	37,679,366
<b>Deferred Inflow of Resources - Pensions</b>	<u>1,514,848</u>
Total liabilities and deferred inflow of resources	<u>39,194,214</u>
<b>Net Position (Deficit)</b>	
Net investment in capital assets	5,095,312
Restricted for special programs	326,446
Unrestricted	<u>(29,527,289)</u>
Total net position (deficit)	<u>\$ (24,105,531)</u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES****Terrebonne Parish Sheriff**

For the year ended June 30, 2017

Functions/Programs	Expenses	Program Revenue		Net (Expenses) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental activities:					
General government- public safety	<u>\$ 32,769,489</u>	<u>\$ 7,273,093</u>	<u>\$ 1,832,495</u>	<u>\$ 56,532</u>	<u>(23,607,369)</u>
General revenues:					
Property taxes					6,990,666
Sales tax					9,471,098
Grants not restricted to specific programs					969,006
Unrestricted investment earnings					177
Total general revenues					<u>17,430,947</u>
Change in net position					(6,176,422)
Net Position (Deficit)					
Beginning					<u>(17,929,109)</u>
Ending					<u>\$ (24,105,531)</u>

See notes to financial statements.

**GOVERNMENTAL FUND BALANCE SHEET****Terrebonne Parish Sheriff**

June 30, 2017

	<u>General Fund</u>
<b>Assets</b>	
Cash and interest-bearing deposits	\$ 549,561
Receivables:	
Due from other governmental units	807,569
Sales and use taxes	874,014
Accounts	130,065
Prepaid items	<u>58,905</u>
Total assets	<u>\$ 2,420,114</u>
<b>Liabilities</b>	
Accounts payable	\$ 422,074
Salaries payable	<u>495,920</u>
Total liabilities	<u>917,994</u>
<b>Fund balances:</b>	
Nonspendable	58,905
Restricted - narcotics	326,446
Assigned for subsequent years' expenditures	37,239
Unassigned	<u>1,079,530</u>
Total fund balances	<u>1,502,120</u>
Total liabilities and fund balances	<u>\$ 2,420,114</u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**Terrebonne Parish Sheriff**

June 30, 2017

**Fund Balances - Governmental Fund** \$ 1,502,120

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

Capital assets used in governmental activities are not  
financial resources and, therefore, are not reported  
in the governmental funds:

Governmental capital assets	\$ 15,163,363	
Less accumulated depreciation	(10,068,051)	5,095,312

Deferred outflows of resources used in  
governmental activities are not financial resources and,  
therefore, are not reported in governmental funds.

7,573,257

Non-current liabilities are not due and payable  
in the current period and therefore are not  
reported in the governmental funds:

Compensated absences	(394,262)	
Net pension liability	(14,442,398)	
Other postemployment benefit obligations	(21,924,712)	(36,761,372)

Deferred inflows of resources are not due and  
payable in the current period and, therefore,  
are not reported in governmental funds.

(1,514,848)

**Net Position of Governmental Activities** **\$ (24,105,531)**

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES**  
**EXPENDITURES AND CHANGES IN FUND BALANCE**

**Terrebonne Parish Sheriff**

For the year ended June 30, 2017

	<u>General Fund</u>
<b>Revenues</b>	
Ad valorem taxes	\$ 6,990,666
Sales taxes	9,471,098
Intergovernmental revenues:	
Federal grants	383,918
State revenue sharing, net	204,579
State supplemental pay	1,359,700
State gaming revenue	764,427
Other	88,877
Fees, charges, and commissions for services:	
Contract services	1,687,174
Civil and criminal fees and commissions	1,703,467
Feeding, keeping, and transporting prisoners	2,892,146
Other	1,046,838
Interest	<u>177</u>
Total revenues	<u>26,593,067</u>
<b>Expenditures</b>	
Current:	
Public safety:	
Personal services and related benefits	22,654,422
Operating services	910,539
Operation and maintenance	4,507,089
Travel and other charges	44,783
Debt service	
Principal	3,000,000
Issuance costs	13,710
Interest	56,562
Capital outlay	<u>1,133,302</u>
Total expenditures	<u>32,320,407</u>
<b>Deficit of revenues over expenditures</b>	(5,727,340)
<b>Other sources and uses</b>	
Issuance of revenue anticipation notes	3,000,000
Sale of surplus equipment	<u>40,000</u>
Total other financing sources	<u>3,040,000</u>
<b>Net change in fund balance</b>	(2,687,340)
<b>Fund balance</b>	
Beginning of year	<u>4,189,460</u>
End of year	<u>\$ 1,502,120</u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL  
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE TO THE STATEMENT OF ACTIVITIES**

**Terrebonne Parish Sheriff**

For the year ended June 30, 2017

**Net Change in Fund Balance - Governmental Fund** **\$ (2,687,340)**

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

Governmental funds report capital outlays as expenditures.

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

Capital outlay	\$ 1,133,302	
Depreciation expense	<u>(1,123,198)</u>	10,104

The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins and donations, is to decrease net position.

Disposition of capital assets		(47,562)
-------------------------------	--	----------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however as an effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Issuance of tax anticipation notes	(3,000,000)	
Principal payments on tax anticipation notes	<u>3,000,000</u>	-

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Increase in compensated absences	(10,623)	
Increase in other postemployment benefits	(3,671,437)	
Decrease in pension expense	<u>230,436</u>	<u>(3,451,624)</u>

**Change in Net Position of Governmental Activities** **\$ (6,176,422)**

See notes to financial statements.

**STATEMENT OF FIDUCIARY FUND****Terrebonne Parish Sheriff**

June 30, 2017

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and interest-bearing deposits	<u>\$ 1,554,094</u>
<b>Liabilities</b>	
Due to taxing authorities	\$ 34,972
Due to other governments and others	1,476,393
Due to inmates	<u>42,729</u>
Total liabilities	<u>\$ 1,554,094</u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****Terrebonne Parish Sheriff**

June 30, 2017

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Terrebonne Parish Sheriff (the Sheriff) serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of Terrebonne Parish (the Parish) as provided by Article V, Section 27 of the Louisiana Constitution of 1974. 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, etc. 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, sporting licenses, fines, costs, and bond forfeitures imposed by the district court.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing authorities and others.

The accounting policies of the Sheriff conform to accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

**a) Reporting Entity**

For financial reporting purposes, the Sheriff includes all funds and activities controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the Terrebonne Parish Consolidated Government as required by Louisiana law, the Sheriff is a separate governmental reporting entity.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) Reporting Entity (continued)**

GASB No. 14, *The Financial Reporting Entity*, GASB No. 39, *Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14*, and GASB No. 61, *The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34* established the criterion for determining which component units should be considered part of the Sheriff for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the Sheriff and the potential component unit.
4. Imposition of will by the Sheriff on the potential component unit.
5. Financial benefit/burden relationship between the Sheriff and the potential component unit.

The Sheriff has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

**b) Basis of Presentation**

The Sheriff's financial statements consist of the government-wide statements on all of the non-fiduciary activities and the fund financial statements.

**Government-wide Financial Statements:**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Sheriff. The government-wide presentation focuses primarily on the sustainability of the Sheriff as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities of the Sheriff generally are supported by taxes and intergovernmental revenues.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (continued)

**Fund Financial Statements:**

The daily accounts and operations of the Sheriff are organized on the basis of a fund and accounts groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds of the Sheriff are grouped, into generic fund types and two broad categories as follows:

Governmental activities presented as governmental funds in the fund financial statements:

**General Fund** – This fund is the primary operating fund of the Sheriff and accounts for and reports the operations of the Sheriff. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Sheriff policy. The General Fund is always a major fund.

Fiduciary Funds:

**Agency Funds** - These funds are used to account for and report assets that the Sheriff holds for others in an agency capacity. Since by definition these assets are being held for the benefit of others and cannot be used to address activities or obligations of the Sheriff, these funds are not incorporated into the governmental-wide statements. The agency funds are as follows:

**Sheriff's Fund** – To account for and report funds held in connection with civil suits, Sheriff's sales and garnishments and payment of these collections to the Sheriff's General Fund and other recipients 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 account for and report the collection and distribution of taxes and fees to the appropriate taxing authorities.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Basis of Presentation (continued)**

**Bonds and Fines Fund** – To account for and report the collection of bonds, fines, costs and payments of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

**Inmate Deposit Fund** – To account for and report funds belonging to individuals incarcerated in the parish prison. The funds are used by prisoners to purchase personal items while incarcerated, and any remaining balances are returned to prisoners upon their release.

**c) Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Government-wide Financial Statements:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

**Fund Financial Statements:**

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current position. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Measurement Focus and Basis of Accounting (continued)**

Non-exchange transactions, in which the Sheriff receives value without directly giving value in return, included sales and use tax, property tax, grants and entitlements. Ad valorem taxes 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. Sales and use taxes are recognized in the period when the underlying transaction has occurred and the resources are available. Federal and state entitlements (which include state supplemental pay for deputies and state revenue sharing) are recorded as unrestricted grants when available and measurable. Federal and state grants are recorded when the allowable expenditures have been incurred.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is interest and principal payments on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available resources. Allocations of cost such as depreciation are not recognized in the governmental funds.

Agency Funds are unlike all other types of funds, reporting only assets and liabilities. Therefore agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

**d) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 and expenses during the reporting period. Actual results could differ from those estimates.

**e) Cash and Cash Equivalents**

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market. Under state law, the Sheriff may deposit with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f) Accounts Receivable**

The financial statements of the Sheriff contain no allowance for uncollectible accounts. Uncollectible amounts for receivables are recognized as reductions in revenue at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the funds.

**g) Capital Assets**

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Automobiles awarded to the Sheriff's office by court award are recorded as capital assets at their estimated fair market value at the date of award. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Furniture and fixtures	5 - 7 years
Boats and vehicles	2 - 10 years
Weapons and equipment	3 - 5 years
Buildings	30 years

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**g) Capital Assets (continued)**

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**h) Non-Current Liabilities**

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All non-current liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. Non-current liabilities consist of obligations for other postemployment benefits (group healthcare and life insurance) and net pension liability.

Fund Financial Statements:

Non-current liabilities for governmental funds are not reported as liabilities in the fund financial statements.

**i) Compensated Absences**

The following vacation hours are earned during a fiscal year:

<u>Years of Service</u>	<u>Total Annual Leave Earned for Fiscal Year</u>
1 - 15 years	120 hours
16 - 24 years	160 hours
25 and above years	200 hours

Vacation time must be taken on a calendar year basis and is not be available for carryover.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**j) Compensated Absences (continued)**

Employees are paid for worked overtime each pay period. Unused comp-time as of October 1, 2013 was allowed to accumulate and may be used for paid time off from work.

**k) Interfund Transactions**

In the financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent relocation of resources between funds. In other words, they are not expected to be paid. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". At and for the year ended June 30, 2017, the Sheriff did not have any residual balances from interfund loans/borrowing arrangements or transfers.

**l) Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. As of June 30, 2017, deferred outflows of resources related to pensions.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. As of June 30, 2017, deferred inflows of resources in the government-wide statements related to pensions.

**m) Pensions**

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 the Sheriff's Pension and Relief Fund (the System) and additions to/deductions from the System fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**n) Fund Equity**

Government-wide Statements:

Equity is classified as net position and may be displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. At June 30, 2017, the Sheriff did not report any borrowings.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does 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 Sheriff’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable – Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – Amounts for which constraints have been placed on the use by externally imposed donors, grantors, creditors, or government laws and regulations, or imposed by law through constitutional provisions or enabling legislation.
- c. Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Sheriff.
- d. Assigned – Amounts that are constrained by the Sheriff’s intent to be used for a specific purpose but do not meet the criteria for restricted or committed.
- e. Unassigned – All other spendable amounts.

For the classification of governmental fund balances, the Sheriff considers an expenditure to be made from the most restrictive fund balance first when more than one classification is available.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o) New GASB Statements**

During the year ending June 30, 2017, the Sheriff implemented the following GASB Statements:

Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans other than Pension Plans.*" The Statement addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria and follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments and also sets forth note disclosure requirements for defined contribution OPEB plans. This Statement did not affect the Sheriff's financial statements.

Statement No. 77, "*Tax Abatement Disclosures*" defines tax abatements as reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. This Statement requires disclosures of the government's own tax abatement agreements and those tax abatement agreements of other governments that reduce the government's revenue.

Statement No. 78, "*Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*" amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This Statement did not affect the Sheriff's financial statements.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o) New GASB Statements (continued)**

Statement No. 79, "*Certain External Investment Pools and Pool Participants*" establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement also establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost. This Statement did not affect the Sheriff's financial statements.

Statement No. 80, "*Blending Requirement for Certain Component Units*" improves financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. This requirement enhances comparability and decision usefulness of financial statements among governments. This Statement did not affect the Sheriff's financial statements.

Statement No. 82, "*Pension Issues*" addresses several issues raised with respect to Statements No. 67, "*Financial Reporting for Pension Plans*," No. 68, "*Accounting and Financial Reporting for Pensions*," and No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*." Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement did not affect the Sheriff's financial statements.

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 75, "*Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*," replaces the requirements of GASB Statement No. 45. This Statement requires governments to report a liability on the face of the financial statements for the OPEB that they provide: governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability, governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o) New GASB Statements (Continued)**

participating in the cost-sharing plan and governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 81, "*Irrevocable Split Interest Agreements*" provided recognition and measurement guidance for situation in which a government is a beneficiary of an irrevocable split interest agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split interest agreement recognize assets, liabilities and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in agreements administered by third parties. Governments are required by this Statement to recognize revenue when the resources become applicable to the reporting period. This Statement enhances comparability and decision usefulness of financial statements among governments. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 83, "*Certain Asset Retirement Obligations*" addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 84, "*Fiduciary Activities*" improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o) New GASB Statements (Continued)**

effective for reporting periods beginning after December 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 85, "*Omnibus 2017*." On March 20, 2017, GASB issued "*Omnibus 2017*" covering four main topics: blending component units; goodwill, fair value measurement and application; and postemployment benefits. "*Omnibus 2017*" is effective for fiscal years beginning after June 15, 2017. However, due to the nature of topic covered, GASB is allowing the option of early implementation for single topics. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 86, "*Certain Debt Extinguishment Issues*" improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

**Note 2 - DEPOSITS**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper or domestic corporations.

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year end balances of deposits are as follows:

<u>Bank Balance</u>	<u>Reported Amount</u>
<u>\$ 3,395,799</u>	<u>\$ 2,097,655</u>

Custodial credit risk is the risk that in the event of a bank failure, the Sheriff's deposits may not be returned to it. The Sheriff does not have a policy to monitor or attempt to reduce exposure to custodial credit risk. As of June 30, 2017, \$2,540,324 of the Sheriff's bank balance of \$3,395,799 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, and are deemed to be held in the Sheriff's name by state statutes.

At June 30, 2017, cash in excess of the FDIC insurance was collateralized by securities held by an unaffiliated bank for the account of the Sheriff. The GASB, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

**Note 2 - DEPOSITS (Continued)**

A reconciliation of deposits as shown on the Statement of Net Position and Governmental Fund Balance Sheet is as follows:

Reported amount	\$	2,097,655
Less cash reported in the Statement of Fiduciary Fund		(1,554,094)
Cash on hand		6,000
Cash - Statement of Net Position	\$	549,561

As of June 30, 2017, the Sheriff, as ex-officio tax collector, has cash in the Tax Collector Agency Fund totaling \$34,972. The unsettled balance at June 30, 2017 consists of

Protest taxes	\$	5,477
Interest on protested taxes		6,514
Refunds and redemptions		22,981
	\$	34,972

**Note 3 - PROPERTY 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 are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2017, law enforcement taxes applicable to the Sheriffs General Fund, were levied at the rate of 7.58 mills on property with net assessed valuations totaling \$922,511,933. Total law enforcement taxes levied in November 2016 were \$6,992,640.

**Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units at June 30, 2017, consist of the following:

Government	Purpose	Amounts	
State of Louisiana	Prisoner maintenance	\$ 314,168	
	Video poker	178,203	
	Supplemental pay	115,544	
	Prisoner hold	64,216	
	Other	13,833	\$ 685,964
Terrebonne Parish Sales & Used Tax Department	Sales tax		874,014
Terrebonne Parish Consolidated Government	Prisoner maintenance	56,473	
	Prisoner transportation	9,626	
	Court attendance	2,890	
	Other	18,343	87,332
Other governments			34,273
Total			\$ 1,681,583

**Note 5 - ACCOUNTS RECEIVABLE**

Accounts receivable detail for the year ended June 30, 2017 was as follows:

Jail phone reimbursement	\$ 57,183
Contraband, forfeitures and seizures	23,131
Commisary sales	16,910
Rifle range use	12,725
Detail reimbursement	5,251
Agent advances	6,768
Other	8,097
Total	\$ 130,065

**Note 6 - CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Deletions/ Adjustments	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 338,500	\$ -	\$ -	\$ 338,500
Capital assets being depreciated:				
Furniture and fixtures	2,738,405	80,921	(43,229)	2,776,097
Boats and vehicles	6,398,086	811,515	(615,720)	6,593,881
Weapons and equipment	2,603,591	240,866	(71,344)	2,773,113
Buildings and improvements	2,681,772	-	-	2,681,772
Total capital assets being depreciated	14,421,854	1,133,302	(730,293)	14,824,863
Less accumulated depreciation for:				
Furniture and fixtures	(2,323,170)	(156,525)	30,099	(2,449,596)
Boats and vehicles	(4,132,216)	(750,197)	593,281	(4,289,132)
Weapons and equipment	(2,182,508)	(125,086)	59,351	(2,248,243)
Buildings and improvements	(989,690)	(91,390)	-	(1,081,080)
Total accumulated depreciation	(9,627,584)	(1,123,198)	682,731	(10,068,051)
Total capital assets being depreciated, net	4,794,270	10,104	(47,562)	4,756,812
Total capital assets, net	\$ 5,132,770	\$ 10,104	\$ (47,562)	\$ 5,095,312

During the year ended June 30, 2017, \$1,123,198 for depreciation was charged to public safety.

**Note 7 - ACCOUNTS AND ACCRUED PAYABLES**

Accounts payable and accrued expenditures at June 30, 2017 consisted of the following:

	Governmental Activities
Vendors	\$ 291,845
Salaries and benefits	495,920
Due to other governments:	
Terrebonne Parish Consolidated Government	125,716
Terrebonne Parish Clerk of Court	4,513
Total	\$ 917,994

**Note 8 - NON - CURRENT LIABILITIES**

Non-current liabilities consist of accumulated unpaid vacation and comp-time, net pension liability and other postemployment benefits. The following is a summary of noncurrent liability transactions of the Sheriff for the year ended June 30, 2017:

	Payable July 1, 2016	Increase/ Earned	Decrease/ Used	Payable June 30, 2017	Due within one year
Compensated absences	\$ 383,639	\$ 10,623	\$ -	\$ 394,262	\$ 394,262
Net pension liability	9,962,908	4,479,490	-	14,442,398	-
Other postemployment benefits	18,253,275	3,671,437	-	21,924,712	-
Totals	<u>\$ 28,599,822</u>	<u>\$ 8,161,550</u>	<u>\$ -</u>	<u>\$ 36,761,372</u>	<u>\$ 394,262</u>

**Note 9 - OTHER POST-EMPLOYMENT BENEFITS**

**Plan Description**

The Sheriff administers a single employer defined benefit healthcare plan (the Plan). The Plan provides for the lifetime payment of medical and dental insurance premiums to eligible retirees and their dependents through the Sheriff's group health plan, which cover both active and retired members. Sheriff employees with 20 years of permanent full-time creditable service with the Sheriff or 30 years of permanent full-time creditable service with any sheriff's office are eligible to participate in the Sheriffs' Pension and Relief Fund (see Note 10) and are eligible to participate in the Plan, which provides 100% of retiree healthcare and life insurance. The amount of life insurance coverage is a continuation of the amount in effect at the retirement date but retiree coverage is reduced to 75% and 50% of the retirement date amount at ages 65 and 75, respectively. A retiree may elect dependent healthcare coverage at applicable rates. A retiree with less than 20 years of permanent full-time creditable service is eligible to participate in the Plan at the applicable rates. The Sheriff does not issue a publicly available financial report on the Plan.

**Funding Policy**

The Sheriff fully funds premiums based on pay-as-you-go financing requirements. The cost of providing these benefits is recognized in the General Fund as premiums are payable. For fiscal year 2017, the Sheriff paid \$490,128 for retiree premiums.

**Annual OPEB Cost and Net OPEB Obligation**

In fiscal year 2017, the Sheriff recognized a net other postemployment benefit (OPEB) obligation for covered postemployment healthcare benefits in accordance with the provisions of GASB Statement No. 45, *Accounting for Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45). GASB 45 was implemented prospectively with zero net obligation at transition. The Sheriff's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*,

**Note 9 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The Sheriff utilizes the unit credit actuarial cost method to amortize the unfunded actuarial accrued liability. The following table shows the components of the Sheriff's annual OPEB cost for the year, the contributions made and the Sheriff's net OPEB obligation to the Plan:

Annual required contributions (ARC)	\$	4,558,009
Interest on net OPEB obligation		580,720
Adjustmnet to ARC		<u>(977,164)</u>
Annual OPEB cost (expense)		4,161,565
Contributions made		<u>(490,128)</u>
Increase in net obligation		3,671,437
Balance - beginning of the year		<u>18,253,275</u>
Balance - end of the year		<u><u>\$ 21,924,712</u></u>

The Sheriff's annual OPEB cost, the percentage of annual OPEB premiums paid, and the net OPEB obligation as of June 30, 2017 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/15	\$ 2,585,038	13.81%	\$ 14,252,690
6/30/16	\$ 4,428,917	9.67%	\$ 18,253,275
6/30/17	\$ 4,161,565	11.78%	\$ 21,924,712

**Funded Status and Funding Progress**

As of July 1, 2015, the most recent actuarial valuation date, the unfunded actuarial accrued liability (UAAL) was \$34,745,650. Covered payroll for eligible employees was \$13,230,175 and the total UAAL represents 262.6 percent of covered payroll.

**Actuarial Methods and Assumptions**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Note 9 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and eligible employees and retirees) and include the types of benefits provided at the time of each valuation and on the historical pattern of sharing benefit costs between the employer and eligible employees and retirees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets.

In the July 1, 2015, actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (discount rate), a 3.25 percent inflation rate, a 6.00 percent expected increase in payroll and annual medical cost trend rate of 4.60 percent initially pre age 65 and 7.10 post age 65, reduced by decrements to an ultimate rate of 4.00 and 4.10 percent, respectively, in 2099 and beyond. The annual dental cost trend was initially 5.48 percent, reduced by decrements to an ultimate rate of 3.92 percent in 2026 and beyond. Zero trend were assumed for valuing life insurance. Other assumptions include (1) expenses per participant per month are expected to increase with inflation at 3.25 percent per annum, (2) 100 percent of employees will choose to continue basic life insurance benefits, (3) family coverage assumes 85 percent retirees are married and 50 percent elect coverage for their spouse and no children, and (4) male spouses are three years older than females. Mortality rates use RP2000 projected to 2016 using Scale AA. The UAAL is being amortized over an open 30 year period using the level percent of payroll method with an assumption that payroll increases by 6.00 percent per year. The remaining amortization period at July 1, 2015 was 21 years.

**Note 10 - PENSION PLAN**

**Plan Description** - The Sheriff contributes to the Sheriffs Pension and Relief Fund (Retirement System), a cost-sharing, multiple-employer defined benefit pension plan administered by the Sheriffs Pension and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to employees of sheriff's offices throughout the State of Louisiana. The Sheriffs Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Sheriff s Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802.

**Benefits Provided.** The System provides retirement, deferred retirement, disability and death benefits. Members who became eligible on or before December 31, 2011, with twelve years of creditable service may retire at age fifty-five, members with thirty years may retire regardless of age. The retirement allowance is equal to three and one-third percent of the member's average final compensation multiplied by his years of creditable service, not to

**Note 10 - PENSION PLAN (Continued)**

exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced for each month retirement begins prior to normal retirement date. For members who became eligible on or after January 1, 2012, with twelve years of creditable service may retire at age sixty-two, members with twenty years of service may retire at age sixty; members with thirty or more years of service may retire at age fifty-five. The benefit accrual rate for members with less than thirty years of creditable service is three percent per year, while members with thirty or more years the benefit accrual rate is three and one-third percent per year. The retirement allowance is equal the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. For a member whose first employment making him eligible for membership in the system began on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest thirty-six consecutive months or joined months if service was interrupted. For a member whose first employment making him eligible for membership in the system began after June 30, 2006 is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. For a member whose first employment making him eligible for membership in the system began before July 1, 2013, the earnings to be considered for each 12 month period within the applicable 36 or 60 month period shall not exceed 125% of the preceding 12 month period earnings. For a member whose first employment making him eligible for membership in the system began on or after July 1, 2013 the earning to be considered for each 12 month period within the 60 month period shall not exceed 115% of the preceding 12 month period earnings.

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 period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement the member will receive a lump-sum payment equal to the monthly benefit multiplied by the number of months in the Back-Drop period. The member's employee retirement contributions are also credited to his account during the Back-Drop period. A member is eligible to receive disability benefits if he has at least ten years of creditable service when a non-service related disability is incurred; there are no service requirements for a service related disability. Death benefits are payable to eligible surviving dependents based on the, the deceased member's years of creditable service and compensation and the dependent's relationship to the deceased member. The System provides permanent benefit increases, cost of living adjustments (COLA) as approved by the State Legislature.

**Note 10 - PENSION PLAN (Continued)**

**Contributions.** According to state statute, contribution requirements for all employees are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 13.25%. For the year ended June 30, 2016, the actuarially determined employer contribution rate was 13.75%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective.

In accordance with state statute, the System 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.

Contributions to the System from the Sheriff were \$1,821,827 for the year ended June 30, 2017.

**Pension Liabilities.** At June 30, 2017, the Sheriff reported a liability of \$14,442,398 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, the Sheriff's proportion was 2.275506%, which was an increase of .040426% from its proportion measured as of June 30, 2015.

**Pension Expense.** For the year ended June 30, 2017, the Sheriff recognized pension expense of \$1,591,31.

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At June 30, 2016, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (1,514,848)
Change of assumptions	1,179,899	-
Net difference between projected and actual earnings on pension plan investments	3,617,102	-
Change in proportionate share	954,429	-
Sheriff contributions subsequent to the measurement date	1,821,827	-
	\$ 7,573,257	\$ (1,514,848)

**Note 10 - PENSION PLAN (Continued)**

The Sheriff reported \$1,821,827 as deferred outflows of resources related to pensions resulting from Sheriff contributions subsequent to the measurement date and will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended June 30th,	Amount
2018	\$ 652,183
2019	652,183
2020	1,705,773
2021	1,106,255
2022	60,096
2023	60,092
Total	\$ 4,236,582

**Actuarial Assumptions.** A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 are as follows:

<b>Valuation Date</b>	June 30, 2016
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining</b>	
<b>Service Lives</b>	7 years (2016 and 2015 6 years)
<b>Investment Rate of Return</b>	7.6 %, net of investment expense.
<b>Discount Rate</b>	7.5 %
<b>Projected Salary Increases</b>	5.5% (2.875% inflation, 2.625% merit).
<b>Mortality Rates</b>	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries / RP-2000 Disabled Lives Mortality Table
<b>Cost of Living Adjustments</b>	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-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2016 are as shown on the next page:

**Note 10 - PENSION PLAN (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity Securities	60.00%	6.40%	3.90%
Bonds	25.00%	1.90%	0.50%
Alternative Investments	15.00%	4.30%	0.60%
 Total	 100.00%		 5.00%
 Inflation			 2.70%
 Expected Arithmetic Nominal Rate			 <u>7.70%</u>

**Discount Rate.** The discount rate used to measure the collective pension liability was 7.5%. 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 System’s actuary. Based on those assumptions, the System’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 Sheriff’s Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate.** The following presents the Sheriff’s proportionate share of the Collective Net Pension Liability using the discount rate of 7.5%, as well as what the Sheriff’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.5%) or one percentage-point higher (8.5%) than the current rate:

	<u>1.0% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1.0% Increase (8.5%)</u>
Sheriff’s proportionate share of the net pension liability	\$ 24,503,000	\$ 14,442,398	\$ 6,138,546

**Pension Plan Fiduciary Net Position.** The Sheriff’s Pension and Relief Fund has issued a stand-alone audit report on their financial statements for the year ended June 30, 2016. Access to the report can be found on the Louisiana Legislative Auditor’s website, [www.la.la.gov](http://www.la.la.gov).

**Note 11 - DEFERRED COMPENSATION PLAN**

The Sheriff offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397. During the year then ended June 30, 2017, the Sheriff contributed \$473,173 to the Plan.

**Note 12 - TAXES PAID UNDER PROTEST**

The unsettled balance due to taxing authorities in the Fiduciary Fund at June 30, 2017 includes \$11,992 of taxes paid under protest and interest earned on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

**Note 13 - LITIGATION, CLAIMS, AND RISK MANAGEMENT**

The Sheriff's Office is exposed to various risks of losses related to general liability, auto liability; property, and group health benefits. For the year ending June 30, 2017, the Sheriff purchased commercial liability insurance to cover risk of loss related to torts or negligence by employees. Commercial insurance has also been obtained to cover real and personal property, general liability, automobile, crime, and law enforcement liability. Management believes coverage obtained will adequately cover any future claims.

At June 30, 2017, the Sheriff is involved in various lawsuits claiming damages. Some of these lawsuits seek substantial amounts. The Sheriff plans to vigorously oppose these suits and, based on the advice of counsel, does not believe their ultimate disposition will materially affect the accompanying financial statements.

**Note 14 - STATE OF LOUISIANA TAX ABATEMENTS**

The Sheriff's ad valorem tax revenues were reduced by \$490,335 under agreements entered into with the State of Louisiana.

**Note 15 - SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through December 21, 2017 which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL -**  
**GENERAL FUND**

**Terrebonne Parish Sheriff**

For the year ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Budgetary Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Ad valorem taxes	\$ 7,000,000	\$ 7,000,000	\$ 6,990,666	\$ (9,334)
Sales and use taxes	11,200,000	10,650,000	10,385,599	(264,401)
Intergovernmental revenues:				
Federal grants	178,000	208,600	383,918	175,318
State revenue sharing, net	206,000	217,024	204,579	(12,445)
State supplemental pay	1,410,000	1,400,000	1,359,700	(40,300)
State gaming revenue	740,000	700,000	764,427	64,427
Other	-	90,000	88,877	(1,123)
Fees, charges, and commissions for services:				
Contract services	1,446,000	1,738,000	1,687,174	(50,826)
Civil and criminal fees and commissions	1,912,500	1,724,500	1,703,467	(21,033)
Feeding, keeping, and transporting prisoners	4,130,000	3,204,186	2,892,146	(312,040)
Other	526,100	1,447,728	1,046,838	(400,890)
Interest	5,000	1,500	177	(1,323)
<b>Total revenues</b>	<b>28,753,600</b>	<b>28,381,538</b>	<b>27,507,568</b>	<b>(873,970)</b>
<b>Expenditures</b>				
Current:				
Public Safety:				
Personal services and related benefits	22,881,551	21,914,500	22,654,422	(739,922)
Operating services	1,010,000	930,000	910,539	19,461
Operation and maintenance	4,801,000	4,549,528	4,507,089	42,439
Travel and other charges	60,000	52,000	44,783	7,217
Debt service				
Principal	-	3,000,000	3,000,000	-
Issuance costs	10,050	13,710	13,710	-
Interest	12,000	10,000	56,562	(46,562)
Capital outlay	612,000	989,039	1,133,302	(144,263)
<b>Total expenditures</b>	<b>29,386,601</b>	<b>31,458,777</b>	<b>32,320,407</b>	<b>(861,630)</b>
<b>Deficiencies of Revenues Over Expenditures</b>	<b>(633,001)</b>	<b>(3,077,239)</b>	<b>(4,812,839)</b>	<b>(1,735,600)</b>
<b>Other Financing Uses</b>				
Issuance of revenue anticipation notes	-	3,000,000	3,000,000	-
Sale of surplus equipment	1,000	40,000	40,000	-
<b>Total other financing uses</b>	<b>1,000</b>	<b>3,040,000</b>	<b>3,040,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(632,001)</b>	<b>(37,239)</b>	<b>(1,772,839)</b>	<b>(1,735,600)</b>
<b>Fund Balance</b>				
Beginning of year	5,042,583	4,189,460	4,189,460	-
End of year	<b>\$ 4,410,582</b>	<b>\$ 4,152,221</b>	<b>\$ 2,416,621</b>	<b>\$ (1,735,600)</b>

**NOTES TO BUDGETARY COMPARISON SCHEDULE**

**Terrebonne Parish Sheriff**

June 30, 2017

**Note 1 - BASIS OF ACCOUNTING**

Budgeted amounts are as originally adopted or as finally amended by the Sheriff. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP), except for sales tax which is budgeted on a cash basis. A reconciliation of the net change in fund balance from a GAAP basis to the budgetary basis is as follows:

Net change in fund balance, GAAP basis	\$ (2,687,340)
Sales tax receivable:	
Beginning of year	1,788,515
End of year	<u>(874,014)</u>
Net change in fund balance, budgetary basis	<u>\$ (1,772,839)</u>

**Note 2 - BUDGETS**

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

- The chief administrative deputy prepares a proposed budget for the General Fund and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each year.
- A summary of the proposed budget is published and the public notice that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- All budgetary appropriations lapse at the end of each fiscal year.

**SCHEDULE OF FUNDING PROGRESS FOR THE OPEB PLAN**

**Terrebonne Parish Sheriff**

June 30, 2017

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>Percentage of Covered Payroll ((b-a)/c)</u>
7/1/2008	-	\$ 15,270,380	\$ 15,270,380	0.00%	\$ 10,288,716	148.4%
7/1/2010	-	15,399,744	15,399,744	0.00%	12,468,031	123.5%
7/1/2013	-	20,060,013	20,060,013	0.00%	13,086,280	153.3%
7/1/2015	-	34,745,650	34,745,650	0.00%	13,230,175	262.6%

**SUPPLEMENTARY INFORMATION SECTION**

**SCHEDULE OF THE SHERIFF'S PROPORTIONATE SHARE OF THE NET  
PENSION LIABILITY**

Terrebonne Parish Sheriff

June 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Sheriff's proportion of the net pension liability	2.27551%	2.23508%	2.15876%
Sheriff's proportionate share of the net pension liability	\$ 14,442,398	\$ 9,962,908	\$ 9,886,954
Sheriff's covered-employee payroll	\$ 15,611,414	\$ 14,831,345	\$ 13,860,372
Sheriff's proportionate share of the net pension liability as a percentage of its covered-employee payroll	92.520%	67.175%	71.33%
Plan fiduciary net position as a percentage of the total pension liability	82.10%	86.61%	87.34%

**SCHEDULE OF SHERIFF CONTRIBUTIONS**

Terrebonne Parish Sheriff

June 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 1,821,827	\$ 2,146,174	2,113,467
Contributions in relation to the contractually required contribution	(1,821,827)	(2,146,174)	(2,109,110)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,357</u> (1)
Sheriff's covered-employee payroll	13,749,637	15,611,414	14,831,345
Contributions as a percentage of covered-employee payroll	13.25%	13.75%	14.22%

(1) Difference due to refunds or timing matters during the year.

**COMBINING STATEMENT OF CHANGES**  
**IN AGENCY FUND ASSETS**

**Terrebonne Parish Sheriff**

For the year ended June 30, 2017

	<u>Sheriff's Fund</u>	<u>Tax Collector Fund</u>	<u>Bonds and Fines Fund</u>	<u>Inmate Deposit Fund</u>	<u>Total Agency Funds</u>
Balance, July 1, 2016	\$ 196,985	\$ 1,402,268	\$ 1,474,536	\$ 30,157	\$ 3,103,946
Additions	2,984,104	93,185,293	1,854,482	990,832	99,014,711
Reductions	<u>(2,943,302)</u>	<u>(94,552,589)</u>	<u>(2,103,603)</u>	<u>(965,069)</u>	<u>(100,564,563)</u>
Balance, June 30, 2017	<u>\$ 237,787</u>	<u>\$ 34,972</u>	<u>\$ 1,225,415</u>	<u>\$ 55,920</u>	<u>\$ 1,554,094</u>

**SCHEDULE OF AD VALOREM TAXES  
COLLECTED AND ASSESSED AND UNCOLLECTED**

**Terrebonne Parish Sheriff**

For the year ended June 30, 2017

Description	Taxes Collected	Taxes Assessed and Uncollected
Law Enforcement Taxes		
Law Enforcement	\$ 6,888,123	\$ 38,605
District Taxes/Special Fees		
Assessment District	1,781,098	9,982
Terrebonne Levee District	4,443,657	24,905
Veterans Memorial (Mtce)	454,362	2,547
Bayou Blue Fire District (Mtce)	154,970	-
Bayou Cane Fire District (Mtce)	4,740,459	17,861
Coteau Fire District (Mtce)	768,398	-
Fire District No. 4A (Mtce)	1,169,296	978
Fire District No. 5 (Bonds)	36,756	29
Fire District No. 5 (Mtce)	294,044	232
Fire District No. 6 (Mtce)	728,039	98
Fire District No. 7 (Bonds)	242,151	6,157
Fire District No. 7 (Mtce)	968,003	24,614
Fire District No. 8 (Mtce)	373,981	7,013
Fire District No. 9 (Mtce)	507,754	15,681
Fire District No. 10 (Bonds)	8,960	20
Fire District No. 10 (Mtce)	1,030,388	6,658
Schriever Fire Dist (Bonds)	209,078	544
Schriever Fire Dist (Mtce)	836,311	2,177
Village East Fire Dist (Mtce)	379,561	1,145
Recreation District No. 1 (Mtce)	647,258	1,376
Recreation District No. 23 (Mtce)	1,332,442	4,807
Recreation District No. 3 (Mtce)	129,811	368
Recreation District No. 11 (Mtce)	1,397,455	2,391
Recreation District No. 4 (Mtce)	471,539	375
Recreation District No. 5 (Mtce)	270,673	159
Recreation District No. 6 (Bonds)	152,433	20
Recreation District No. 6 (Mtce)	455,024	61
Recreation District No. 7 (Mtce)	576,395	14,479
Recreation District No. 8 (Mtce)	319,945	6,000
Recreation District No. 9 (Mtce)	742,858	15,681
Recreation District No. 10 (Mtce)	512,953	3,296
Tax comission Fee No. 1	2,763	-
Tax comission Fee No. 2	36,954	-
Bayou Lafourche Freshwater	1,871,970	10,492
Parish Taxes		
Parish Tax	2,481,810	15,219
Sewerage Tax (Bonds)	681,542	3,820
Health Unit (Mtce)	1,508,481	8,455
Drainage Tax (Bonds)	681,542	3,820
Drainage Tax (Mtce)	6,642,767	37,230
Roads and Bridges (Bonds)	681,542	3,820
Recreation Tax (Mtce)	1,926,493	10,797
Terrebonne ARC	4,843,495	27,146
Sanitation Dist (Mtce)	10,186,789	57,092
Mental Health	381,664	2,139
Council on Aging	6,815,425	38,198
Youth Detention Center(1)	890,549	4,991
Youth Detention Center(2)	872,374	4,890
Road District No. 6 (Mtce)	37,310	5
Road Light No. 1 (Mtce)	545,165	1,159
Road Light No. 2 (Mtce)	183,904	973
Road Light No. 3A (Mtce)	243,271	219
Road Light No. 4 (Mtce)	189,304	150
Road Light No. 5 (Mtce)	86,123	51
Road Light No. 6 (Mtce)	79,628	11
Road Light No. 7 (Mtce)	63,705	1,600
Road Light No. 8 (Mtce)	106,648	2,000
Road Light No. 9 (Mtce)	122,071	2,614
Road Light No. 10 (Mtce)	145,598	935
City Ad Valorem Tax	1,701,831	2,295
City of Houma Fire Protection Dist	1,355,069	1,827
City of Houma Police Protection Dist	1,355,069	1,827
Nuisance Fee	63,267	53,357
School Board Taxes		
School Tax Maint/Regular	3,507,672	19,659
School Tax Maint/Special	4,916,193	27,553
	<u>\$ 88,232,163</u>	<u>\$ 552,603</u>

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO**  
**AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Terrebonne Parish Sheriff**

June 30, 2017

**Agency Head Name:** Jerry J. Larpenter, Sheriff

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 159,540
Benefits - insurance	9,428
Benefits - retirement	37,583
Benefits - deferred compensation	12,000
Car allowance	-
Vehicle provided by government	-
Per diem	300
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	385
Continuing professional education fees	694
Housing	-
Unvouchered expenses	-
Meals	-
	<hr/>
	<b>\$ 219,930</b>

**AFFIDAVIT OF CASH ON HAND AND OF TAXES  
COLLECTED AND ASSESSED AND UNCOLLECTED**

**Terrebonne Parish Sheriff**

June 30, 2017

State of Louisiana  
Parish of Terrebonne

Before me, the undersigned authority, personally came and appears, Jerry J. Larpenter, the sheriff of Terrebonne Parish, State of Louisiana, who after being duly sworn, deposed and said:

**The following information is true and correct:**

**\$34,972 is the amount of cash on hand in the tax collector account at June 30, 2017, of which \$5,477 has been paid under protest and held in a separate and special account pending adjudication by the courts.**

He further deposed and said:

**All itemized statements of the amount of taxes collected for the tax year 2016 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.**

Jerry Larpenter, Sheriff  
Terrebonne Parish

Sworn to and subscribed before me, Notary, this 22 day of December, 20 17 in my office in Houma, Louisiana.

Sharon A. Miller, #87088  
Ex officio Notary, Terrebonne Parish  
  
(Sheriff)

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

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

To the Honorable Jerry Larpenter,  
Terrebonne Parish Sheriff,  
Houma, 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 General Fund and the Fiduciary Fund of the Terrebonne Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Sheriff’s basic financial statements and have issued our report thereon dated December 21, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Sheriff’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff’s internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Sheriff’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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.

### **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 Sheriff'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 Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
December 21, 2017.

## SCHEDULE OF FINDINGS AND RESPONSES

### Terrebonne Parish Sheriff

For the year ended June 30, 2017

#### Section I Summary of Auditor's Results

##### a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified?                     yes         no
- Significant deficiency(ies) identified that are not  
  considered to be material weaknesses?             yes         none reported

Noncompliance material to financial statements noted?    yes         no

##### b) Federal Awards

The Sheriff did not expend federal awards in excess of \$750,000 during the year ended June 30, 2017 and therefore is exempt from the audit requirements under a single audit under *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

#### Section II Financial Statement Findings

##### Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 2017.  
No reportable conditions were reported during the audit for the year ended June 30, 2017.

##### Compliance

No compliance findings material to the financial statements were noted during the year ended June, 30, 2017.

#### Section III Federal Award Findings and Questioned Costs

Not applicable.

**REPORTS BY MANAGEMENT**

# SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

## Terrebonne Parish Sheriff

For the year ended June 30, 2017

### Section I Internal Control and Compliance Material to the Financial Statements

#### Internal Control

No material weaknesses were noted during the audit for the year ended June, 30, 2016.

No significant deficiencies were reported during the audit for the year ended June 30, 2016.

#### Compliance

**16-001 Recommendation** - We recommend that the Sheriff comply with state law and submit their audited financial statements to the Legislative Auditor within six months of the close of their fiscal year.

**Management's Response** - The Sheriff will to the best of their ability abide by State Law by submitting our audited financial statements to the Legislative Auditor within six months of the close of our fiscal year. **Resolved**

### Section II Internal Control and Compliance Material to Federal Awards

The Sheriff did not expend federal awards in excess of \$750,000 during the year ended June 30, 2016 and therefore is exempt from the audit requirements under *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)*.

### Section III Management Letter

A management letter was not issued in connection with the audit of the Sheriff's financial statements as of and for the year ended June 30, 2016.

# MANAGEMENT'S CORRECTIVE ACTION PLAN

## **Terrebonne Parish Sheriff**

For the year ended June 30, 2017

### **Section I Internal Control and Compliance Material to the Basic Financial Statements**

#### **Internal Control**

No material weaknesses were reported during the audit for the year ended June 30, 2017.

No significant deficiencies were reported during the audit for the year ended June 30, 2017.

#### **Compliance**

No compliance findings material to the financial statements were noted during the year ended June, 30, 2017.

### **Section II Internal Control and Compliance Material to Federal Awards**

The Sheriff did not expend federal awards in excess of \$750,000 during the year ended June 30, 2016 and therefore is exempt from the audit requirements under *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)*.

### **Section III Management Letter**

A management letter was not issued in connection with the audit of the Sheriff's financial statements as of and for the year ended June 30, 2017.

**AGREED-UPON PROCEDURES**

**INDEPENDENT ACCOUNTANT'S REPORT ON**  
**APPLYING AGREED-UPON PROCEDURES**

To the Honorable Jerry Larpenter,  
Terrebonne Parish Sheriff,  
Houma, Louisiana.

We have performed the procedures described in Schedule 5, which were agreed to by the Terrebonne 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 year ended June 30, 2017. 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 the attestation standards established by the AICPA. 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 referred to above, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are described in Schedule 5.

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 these 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 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 23:513, this report is distributed by the LLA as a public document.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants

Houma, Louisiana,  
December 21, 2017.

**Statewide Agreed-upon Procedures**

**Terrebonne Parish Sheriff**

For the year ended June 30, 2017

The required procedures and our findings are as follows:

**Procedures performed on the Sheriff's written policies and procedures:**

1. Obtain the Sheriff's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the Sheriff does not have any written policies and procedures), as applicable:

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

Performance: Obtained and read the written policy for budgeting.

Exceptions: The budgeting policy does not contain the requirements included above.

Management's response: Management will consider adding the requirements listed in these procedures.

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.

Performance: Obtained and read the written policy for purchasing, and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

c) Disbursements, including processing, reviewing, and approving

Performance: Obtained and read the written policy for disbursements, and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

d) Receipts, including receiving, recording, and preparing deposits

Performance: Inquired of a written policy for receipts.

Exceptions: There is no written policy for receipts.

Management's response: Management will consider drafting a policy on receipts, including the requirements listed in these procedures.

**Procedures performed on the Sheriff's written policies and procedures: (Continued)**

- e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- Performance: Inspected written policy for payroll and personnel, and found it to contain the requirements included above.
- Exceptions: There were no exceptions noted.
- Management's response: Not applicable.
- 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
- Performance: Inquired of a written policy for contracting.
- Exceptions: There is no written policy on contracting.
- Management's response: Management will consider drafting a policy on contracting, including the requirements listed in these procedures.
- g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- Performance: Obtained and read the written policy for credit cards.
- Exceptions: The policy does not include documentation requirements, required approvers, or monitoring card usage, but current procedures require transaction documentation and approvals.
- Management's response: Management will consider adding these requirements to their existing policy.
- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- Performance: Inspected travel and expense reimbursement policy. Dollar thresholds for per diem are set by staff level.
- Exceptions: The travel and expense reimbursement policy does not include provisions for dollar thresholds by category of expense, or names of required approvers.
- Management's response: Management will consider adding these requirements listed in these procedures.
- 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.
- Performance: Inquired of a written policy for ethics.
- Exceptions: There is no written policy for ethics.
- Management's response: Management will consider drafting a policy on ethics, including the requirements listed in these procedures.

**Procedures performed on the Sheriff's written policies and procedures: (Continued)**

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

Performance: Inquired of management as to a debt service policy.

Exceptions: There is no written policy for debt service.

Management's response: Management will consider drafting a policy on debt service, including the requirements listed in these procedures.

**Procedures performed on the Sheriff's bank reconciliations:**

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

Performance: Obtained the listing of bank accounts from management, and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

4. Using the listing provided by management, select all of the Sheriff's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Performance: Selected five out of a total of fourteen bank accounts. Inspected management's documentation of bank reconciliations.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Performance: Inspected documentation for management approvals of each bank reconciliation.

Exceptions: Only the General Fund operating bank account is reviewed monthly by a member of management.

Management's response: Management will begin to review all bank statements across all funds and accounts for accuracy.

**Procedures performed on the Sheriff's bank reconciliations: (Continued)**

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.  
Performance: Inspected documents for items outstanding for more than 6 months. In our observation, we did not note any checks outstanding for more than 6 months as of the end of the fiscal period.  
Exceptions: No exceptions noted.  
Management's response: Not applicable.

**Procedures performed on the Sheriff's collections:**

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.  
Performance: Obtained the listing of cash/check/money order (cash) collection locations from management and received management's representation in a separate letter.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.
6. Using the listing provided by management, select all of the Sheriff's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations).  
For each cash collection location selected:
- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.  
Performance: Inquired of management as to all of the requirements, observed results of sampling procedures.  
Exceptions: Each employee that is responsible for collecting cash is not bonded. The Sheriff holds an insurance policy for crime related loss. There is a deputy that does inter-office transfers, and performs the actual deposits. Some employees that are responsible for cash also record the related transaction, and reconcile the related bank account.  
Management's response: Management will consider additional procedures and processes to insure proper segregation of duties.

**Procedures performed on the Sheriff's collections: (Continued)**

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Performance: Inquired of management of the requirements above.

Exceptions: There is no formal process to reconcile cash collections to the ledger by a person responsible for collections.

Management's response: Management will consider additional procedures and processes to insure proper segregation of duties.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- 1) Using Sheriff collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Performance: Our test population was based across all fund revenue accounts, and all months throughout the year. We selected a sample of 25 cash receipt transactions.

Exceptions: Management does not deposit receipts within one day of receipt. They collect receipts over a few days (up to a non-specific volume), over a full week, or depending on the level of activity.

Management's response: Management will begin to better adhere to depositing receipts within one day of their actual receipt.

- 2) Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Performance: Inspected receipts and deposit slips from the bank. Noted that all collections are supported by adequate documentation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Procedures performed on the Sheriff's collections: (Continued)**

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the Sheriff has a process specifically defined (identified as such by the Sheriff) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Performance: Inquired of management as to a specific process to determine completeness.

Exceptions: There is no specific process outlined for all departments to follow to insure completeness of receipts.

Management's response: Management will consider adopting a formal process for all departments to insure completeness of receipts.

**Procedures performed on the Sheriff's general disbursements (excluding credit card, debit card, fuel card, P-card purchases or payments):**

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

Performance: Obtained the completed general ledger for the fiscal period and obtained management's representations in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Performance: Systematically selected 25 disbursements. Inquired of management as to requisition/purchase orders, and how invoices are approved.

Exceptions: Management does not use a documented purchase order system for all disbursements. Some routine disbursements are automated, or within the power of the employee in charge.

Management's response: Management will work towards using a formal, written purchase order/requisition system for routine expenditures.

**Procedures performed on the Sheriff's general disbursements (excluding credit card, debit card, fuel card, P-card purchases or payments): (Continued)**

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Performance: Inquired of management as to purchase approval process.

Exceptions: Management does not use written purchase orders for all disbursements.

There were 5 transactions that required purchase orders and the purchase order was completed after invoice was received.

Management's response: Management will work towards using a formal, written purchase order/requisition system for all purchases.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Performance: Inquired of management and observed approved invoices. Management approves invoices after they are received, and initials them to show proper approvals.

Invoices are approved (by the purchasing department via the accounting system) before payment is made. Supervisors receiving items will review the packing slip for accuracy, and initial those slips for approvals.

Exceptions: Five payments were processed without proper written purchase orders.

Management's response: Management will work towards using a formal, written purchase order/requisition system for all purchases.

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

Performance: Inspected policy and inquired of management as to separation of duties.

Exceptions: The person responsible for recording payments in the accounting system also adds vendors to the accounting system; however, this employee does not initiate or approve any purchases.

Management's response: Management will continue the control of only allowing one employee access to add new vendors.

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

**Procedures performed on the Sheriff's general disbursements (excluding credit card, debit card, fuel card, P-card purchases or payments): (Continued)**

Performance: Confirmed with documentation the persons responsible for signing checks and making the final authorization. Disbursements can be requested by employees, supervisors, and the Sheriff.

Exceptions: Employees, supervisors, the purchasing department, and the Sheriff can request purchases. Purchases within the normal scope of business are not approved by a separate person. The Sheriff can authorize disbursements and be the final approver. The Sheriff cannot record purchases, and the purchasing department cannot make final approvals for payment.

Management's response: Not applicable.

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

Performance: Inquired of management, as well as observed where the supply of unused checks is held. The required check signers do not have system access to print checks.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inquired of management as to whether there is a signature stamp or machine. Management has a machine that signs the Sheriff's name on checks, in which his consent has been given to do so.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Procedures performed on the Sheriff's credit cards, debit cards, fuel cards, p-cards:**

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

Performance: Obtained the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Procedures performed on the Sheriff's credit cards, debit cards, fuel cards, P-cards:  
(Continued)**

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

Performance: Obtained all monthly statements for the multi-user Chase credit card and observed all supporting documentation, as well as approvals.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

b) Report whether finance charges and/or late fees were assessed on the selected statements.

Performance: Traced all credit card payments and balances on the August 2016 credit card statement in order to note if any fees were applied to balances. No fees were applied.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

a) For each transaction, report whether the transaction is supported by:

1) An original itemized receipt (i.e., identifies precisely what was purchased)

Performance: Traced each transaction to an original itemized receipt.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Procedures performed on the Sheriff's credit cards, debit cards, fuel cards, P-cards:  
(Continued)**

- 2) Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Performance: Observed documentation of the purpose of each transaction. Confirmed that all meal charge documentation included the names of the individuals and reason for participating.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 3) Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Performance: Observed written approvals of credit card transactions. Management reviews all transactions, and then traces each transaction to the backup that is provided by the person incurring charge.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the Sheriff's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

Performance: Compared the transaction detail to the written disbursement policy and Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) For each transaction, compare the Sheriff's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Performance: Inspected all detail transactions and compared them to the requirements of Article 7, Section 14 of the Louisiana Constitution.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Procedures performed on the Sheriff's travel and expense reimbursements:**

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

Performance: Obtained a list of all travel and related expense reimbursements.

Management's representation of the listing was confirmed in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Management's travel and expense policies reference the rates established by the State of Louisiana as their applicable rates.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the Sheriff does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Performance: The Sheriff does not record travel and related expenses by each employee name. Therefore, analyzed the general travel and training accounts and obtained a list of the three highest travel and related expenses incurred and the supporting documentation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Report whether each expense is supported by:

- 1) An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

Performance: Traced expense to the original itemized receipt with detail of purchase.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Procedures performed on the Sheriff's travel and expense reimbursements: (Continued)**

- 2) Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

Performance: Inspected original itemized receipt. Business purpose was documented on all lodging, course registration, car rentals, and parking.

Exceptions: For meals, the persons attending the meal were not documented on the receipt.

Management's response: Management will consider adding documentation of each person attending the meal on future meal receipts.

- 3) Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Performance: Inquired about additional documentation and read written policy. No other documentation needed.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) Compare the Sheriff's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Performance: Inspected the business/public purpose of all travel reimbursements selected and compared them to Article 7, Section 14 of the Louisiana Constitution.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Performance: Inspected documentation of all travel and related expenses for approvals by the Sheriff or the division commander.

Exceptions: There were no approvals documented on meal receipts.

Management's response: Management will consider adding approval signature to meal receipts.

**Procedures performed on the Sheriff's contracts:**

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

Performance: Obtained the listing of contracts in effect during the fiscal year from management, and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Performance: Obtained the listing of contract vendors. Inspected the written contract that supports the services arrangement.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

1) If yes, obtain/compare supporting contract documentation to legal requirements and report whether the Sheriff complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

Performance: There were no contracts tested that were subject to Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

2) If no, obtain supporting contract documentation and report whether the Sheriff solicited quotes as a best practice.

Performance: Inspected contracts and inquired of client as to receipt of any other quotes.

Exceptions: There were no other quotes received.

Management's response: Not applicable.

c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

**Procedures performed on the Sheriff's contracts: (Continued)**

Performance: Inspected contracts to agree to the actual expenditure. The contracts were not amended during the year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

Performance: Inspected the invoice and compared to the written contract information. The invoice and related payment complied with the terms of the contract.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Performance: There is no Board but the Sheriff approved the contracts.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Procedures performed on the Sheriff's payroll and personnel:**

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

Performance: Obtained the listing of employees with their related salaries from management, and received management's representation of completeness in a separate letter. Selected five employees for testing.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Review compensation paid to each employee selected during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Performance: Compared compensation in the salary schedules with payments made to employees during the fiscal year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Procedures performed on the Sheriff's payroll and personnel: (Continued)**

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Performance: Traced hourly rate changes during the period to personnel files, where they were approved in writing.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Performance: Selected one pay period to test leave taken during that period. Inspected all daily attendance and leave records for proper documentation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Performance: Confirmed that attendance and leave records were reviewed and approved by supervisors.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) Report whether there is written documentation that the Sheriff maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Performance: Inquired and confirmed that the Sheriff maintains written leave records for each employee eligible for paid leave.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

**Procedures performed on the Sheriff's payroll and personnel: (Continued)**

Performance: Inquired and inspected list of employees that terminated during the period. Management's representation of completeness was completed in a separate letter. Obtained the personnel files for the two largest termination payments, and traced to the employees' final written leave records and daily attendance records. All termination payments were made in strict accordance with the personnel policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected payroll reporting forms, as well as cancelled checks to confirm that all payments were submitted to the applicable agencies by the required deadlines.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Procedures performed on the Sheriff's ethics:**

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

Performance: Used the five employees selected in procedure # 22, and noted the date the employee performed ethics compliance.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inquired of management of any ethics violations, none were noted.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Procedures performed on the Sheriff's debt service:**

28. If debt was issued during the fiscal period, obtain supporting documentation from the Sheriff, and report whether State Bond Commission approval was obtained.

Performance: Inquired as to any debt issued during the fiscal year and obtained the supporting documentation including approval from State Bond Commission.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

29. If the Sheriff had outstanding debt during the fiscal period, obtain supporting documentation from the Sheriff and report whether the Sheriff made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Performance: Obtained supporting documentation of the issuance and payment of debt. Through inquiry and observation, it was noted the debt was issued and paid in the same fiscal year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

30. If the Sheriff had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Performance: Not applicable.

Exceptions: Not applicable.

Management's response: Not applicable.

**Other procedures performed on the Sheriff:**

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

Performance: Inquired of management of any misappropriations of public funds or assets, none were noted.

Exceptions: Not applicable.

Management's response: Not applicable.

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

Performance: Inquired and observed such notice posted on the premises and website.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Other procedures performed on the Sheriff: (Continued)**

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

Performance: Inspected all procedures, and the results of such procedures and compared them to management's representations in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.