

**St. John the Baptist Parish Sheriff's Office  
Laplace, Louisiana**

**ANNUAL FINANCIAL REPORT**

**June 30, 2017**



**St. John the Baptist Parish Sheriff's Office**  
**Table of Contents**  
**June 30, 2017**

**INDEPENDENT AUDITORS' REPORT**

Independent Auditors' Report	1
------------------------------	---

**BASIC FINANCIAL STATEMENTS**

Government-wide Financial Statements (GWFS) Statement of Net Position	4
--------------------------------------------------------------------------	---

Statement of Activities	5
-------------------------	---

Fund Financial Statements (FFS) Governmental Fund: Balance Sheet	6
------------------------------------------------------------------------	---

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	7
----------------------------------------------------------------------------------------	---

Statement of Revenues, Expenditures, and Changes in Fund Balance	8
------------------------------------------------------------------	---

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	9
---------------------------------------------------------------------------------------------------------------------------------------------	---

Fiduciary Funds: Statement of Fiduciary Assets and Liabilities	10
-------------------------------------------------------------------	----

Notes to Financial Statements	11
-------------------------------	----

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual General Fund	44
---------------------------------------------------------------------------------------------------	----

Schedule of Funding Progress- Other Post-Employment Benefits	45
--------------------------------------------------------------	----

Schedule of Proportionate Share of Net Pension Liability for Sheriffs' Pension and Relief Fund	46
------------------------------------------------------------------------------------------------	----

Schedule of Employer Contributions to Sheriffs' Pension and Relief Fund	47
-------------------------------------------------------------------------	----

**OTHER SUPPLEMENTARY INFORMATION**

Affidavit	48
-----------	----

Schedule of Compensation, Benefits, and Other Payments to Agency Head	49
-----------------------------------------------------------------------	----



**St. John the Baptist Parish Sheriff's Office**  
**Table of Contents**  
**June 30, 2017**

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

Fiduciary Funds:	
Descriptions of Funds	50
Combining Schedule of Changes in Assets and Liabilities	51

**GOVERNMENT AUDITING STANDARDS REPORTS**

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	52
Schedule of Findings and Responses	54
Summary Schedule of Prior Audit Findings	56
Corrective Action Plan	57



**Report**



Carr, Riggs & Ingram, LLC  
111 Veterans Memorial Blvd.  
Suite 350  
Metairie, Louisiana 70005

(504) 833-2436  
(504) 484-0807 (fax)  
[www.CRIcpa.com](http://www.CRIcpa.com)

## **INDEPENDENT AUDITORS' REPORT**

Honorable Michael Tregre, Sheriff  
St. John the Baptist Parish Sheriff's Office  
Laplace, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. John the Baptist 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 as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' 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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the St. John the Baptist Sheriff, as of June 30, 2017, and, where applicable, the respective changes in financial position for the year ended thereof 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 budgetary comparison information, the schedule of funding progress, schedule of proportionate share of net pension liability for Sheriffs' Pension and Relief Fund, and the schedule of employer contributions to Sheriffs' Pension and Relief Fund on pages 44 through 47 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 opinions 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.

Management has omitted the management's discussion and analysis that accounting principles general accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not modified with respect to this missing information.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. John the Baptist Parish Sheriff's basic financial statements. The accompanying affidavit and schedule of compensation, benefits, and other payments to agency head are presented as mandated by the Louisiana state laws and are not a required part of the financial statements.

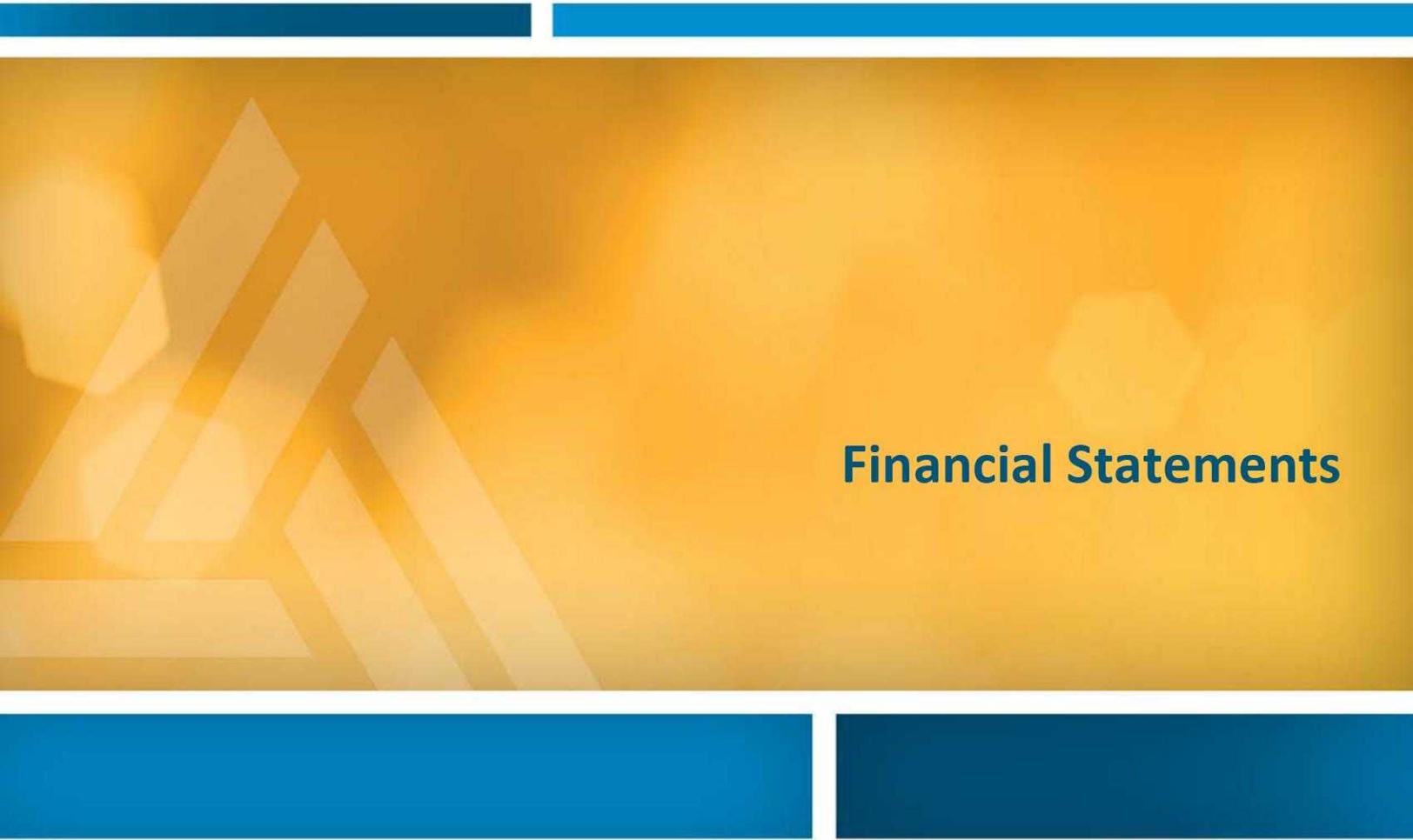
The accompanying affidavit and schedule of compensation, benefits, and other payments to agency head on pages 48 and 49 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying affidavit and schedule of compensation, benefits, and other payments to agency head are fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2017, on our consideration of the St. John the Baptist Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. John the Baptist Sheriff's internal control over financial reporting and compliance.

*Caru, Riggs & Ingram, L.L.C.*

December 21, 2017



# Financial Statements

**St. John the Baptist Parish Sheriff's Office**  
**Statement of Net Position**

June 30,

2017

		Governmental Activities
<b>Assets</b>		
Cash and cash equivalents	\$	4,601,598
Investments		6,977,460
Due from other governments		1,738,787
Inventory		1,997
Prepaid assets		95,769
Capital assets, net of depreciation		9,345,648
<hr/>		
Total Assets		22,761,259
<hr/>		
<b>Deferred Outflows of Resources</b>		
Pension deferrals		5,687,931
<hr/>		
Total Deferred Outflows of Resources		5,687,931
<hr/>		
<b>Liabilities</b>		
Accounts payable		462,518
Accrued liabilities:		
Salaries, wages, payroll taxes and retirement contributions		918,576
Non-current liabilities:		
Due within one year		685,628
Due in more than one year		35,967,938
<hr/>		
Total Liabilities		38,034,660
<hr/>		
<b>Deferred Inflows of Resources</b>		
Pension deferrals		1,493,263
<hr/>		
Total Deferred Inflows of Resources		1,493,263
<hr/>		
<b>Net Position</b>		
Net investment in capital assets		9,007,996
Restricted for capital projects		8,240,423
Unrestricted		(28,327,152)
<hr/>		
Total Net Position	\$	(11,078,733)

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

## St. John the Baptist Parish Sheriff's Office Statement of Activities

For the year ended June 30,

2017

FUNCTIONS/PROGRAMS	Net (Expense) Revenue and Changes in Net Position			
	Expenses	Program Revenues		Primary Government
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary government:				
Governmental activities:				
Public safety:				
Personal services and related benefits	\$ 19,842,836	\$ 3,029,964	\$ -	\$ (16,812,872)
Operating services	803,360	912,715	266,567	375,922
Operations and maintenance	6,895,650	766,535	-	(6,129,115)
Travel	9,298	-	-	(9,298)
Interest and other changes on long-term debt	221,067	-	-	(221,067)
Total governmental activities	\$ 27,772,211	\$ 4,709,214	\$ 266,567	(22,796,430)
General revenues:				
Taxes:				
Property taxes, levied for general purposes				13,760,927
Sales and use taxes, levied for general purposes				5,033,337
State revenue sharing				374,629
Video poker revenue				619,406
Fines, forfeitures, and other				324,534
Proceeds from non employer contributions				682,635
Interest and investment earnings				76,284
Miscellaneous				267,486
Total general revenues				21,139,238
Change in net position				(1,657,192)
Net position - June 30, 2016				(9,421,541)
Net position - June 30, 2017				\$ (11,078,733)

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

**St. John the Baptist Parish Sheriff's Office**  
**Governmental Fund- Balance Sheet**

June 30,

2017

	General Fund	Bond Construction Fund	Total Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 3,276,350	\$ 1,325,248	\$ 4,601,598
Investments	-	6,977,460	6,977,460
Due from other governmental units	1,738,787	-	1,738,787
Due from other funds	62,285	-	62,285
Inventory	1,997	-	1,997
Prepaid items	95,769	-	95,769
<b>Total Assets</b>	<b>\$ 5,175,188</b>	<b>\$ 8,302,708</b>	<b>\$ 13,477,896</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>			
<b>Liabilities</b>			
Accounts payable	\$ 462,518	\$ -	\$ 462,518
Accrued expenses	918,576	-	918,576
Due to other funds	-	62,285	62,285
<b>Total Liabilities</b>	<b>1,381,094</b>	<b>62,285</b>	<b>1,443,379</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows - due from other governmental units	228,301	-	228,301
<b>Total Deferred Inflows of Resources</b>	<b>228,301</b>	<b>-</b>	<b>228,301</b>
<b>Fund Balance</b>			
Nonspendable	97,766	-	97,766
Committed	-	8,240,423	8,240,423
Unassigned	3,468,027	-	3,468,027
<b>Total Fund Balance</b>	<b>3,565,793</b>	<b>8,240,423</b>	<b>11,806,216</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 5,175,188</b>	<b>\$ 8,302,708</b>	<b>\$ 13,477,896</b>

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

**St. John the Baptist Parish Sheriff's Office**  
**Reconciliation of the Governmental Fund**  
**Balance Sheet to the Statement of Net Position**

<i>June 30,</i>	<i>2017</i>
Total Fund Balance at June 30, 2017 - Governmental Fund	\$ 11,806,216
Cost of capital assets at June 30, 2017	\$ 20,929,378
Less accumulated depreciation as of June 30, 2017	<u>(11,583,730)</u>
	9,345,648
Deferred outflows of resources - pension deferrals	5,687,931
Deferred inflows of resources - due from other governmental units	228,301
Deferred inflows of resources - pension deferrals	(1,493,263)
Long-term non-current liabilities at June 30, 2017:	
Compensated absences	(572,547)
Capital lease payable	(337,652)
Claims and judgments	(1,193,498)
Bonds payable	(8,585,000)
Bond premium	(950,857)
Net pension liability	(11,153,481)
Other post employment benefits	(13,860,531)
	(36,653,566)
<b>Net position- June 30, 2017</b>	<b>\$ (11,078,733)</b>

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

**St. John the Baptist Parish Sheriff's Office**  
**Governmental Fund- Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**

*For the year ended June 30,*

*2017*

	General Fund	Bond Construction Fund	Total Governmental Funds
<b>REVENUES:</b>			
Taxes	\$ 18,794,264	\$ -	\$ 18,794,264
Intergovernmental	2,209,920	-	2,209,920
Fees, charges, and commissions for services	4,093,030	-	4,093,030
Interest income	65,534	10,750	76,284
Miscellaneous	267,486	-	267,486
<b>Total revenues</b>	<b>25,430,234</b>	<b>10,750</b>	<b>25,440,984</b>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
Public Safety			
Personal services and related benefits	18,970,640	-	18,970,640
Operating services	1,247,252	-	1,247,252
Operating and maintenance	4,833,551	-	4,833,551
Travel	9,298	-	9,298
Capital outlay	656,580	646,278	1,302,858
Debt service:			-
Principal retirement	431,043	-	431,043
Interest and fiscal charges	200,907	110,327	311,234
<b>Total expenditures</b>	<b>26,349,271</b>	<b>756,605</b>	<b>27,105,876</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(919,037)</b>	<b>(745,855)</b>	<b>(1,664,892)</b>
<b>OTHER FINANCING SOURCES</b>			
Debt issued	-	8,885,000	8,885,000
Premium on debt issued	-	1,041,023	1,041,023
Transfers In	939,745	-	939,745
Transfers out	-	(939,745)	(939,745)
<b>Total other financing sources—net</b>	<b>939,745</b>	<b>8,986,278</b>	<b>9,926,023</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>20,708</b>	<b>8,240,423</b>	<b>8,261,131</b>
<b>FUND BALANCE—Beginning of year</b>	<b>3,545,085</b>	<b>-</b>	<b>3,545,085</b>
<b>FUND BALANCE—End of year</b>	<b>\$ 3,565,793</b>	<b>\$ 8,240,423</b>	<b>\$ 11,806,216</b>

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

**St. John the Baptist Parish Sheriff's Office**  
**Reconciliation of the Governmental Fund- Statement of**  
**Revenues, Expenditures, and Changes in Fund Balance**  
**to the Statement of Activities**

<i>For the year ended June 30,</i>	<i>2017</i>
Total net change in fund balance - governmental fund	\$ 8,261,131
Capital assets:	
Capital outlays capitalized	\$ 1,302,858
Depreciation expense	<u>(1,634,713)</u> (331,855)
Change in deferred outflows of resources - pension deferrals	3,136,443
Change in deferred inflows - due from other governmental units	(8,600)
Change in deferred inflows of resources - pension deferrals	443,892
Change in claims and judgements payable	(427,386)
Long-term debt:	
Payment on capital lease payable	131,043
Increase in liabilities for compensated absences	(70,950)
Proceeds from long-term debt issued	(9,926,023)
Principal payments on long-term debt	300,000
Changes in bond premiums	90,167
Increase in net pension liability	(3,025,154)
Increase in other post employment benefits	(229,900) (12,730,817)
<u>Change in net position - governmental activities</u>	<u>\$ (1,657,192)</u>

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

**St. John the Baptist Parish Sheriff's Office**  
**Statement of Fiduciary Assets and Liabilities**

June 30,

2017

	Agency Funds
<b>Assets</b>	
Cash and cash equivalents	\$ 1,799,907
<b>Total Assets</b>	<b>\$ 1,799,907</b>
<b>Liabilities</b>	
Held for taxing bodies	\$ 1,738,779
Held for inmates	61,128
<b>Total Liabilities</b>	<b>\$ 1,799,907</b>

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

## St. John the Baptist Parish Sheriff's Office Notes to Financial Statements

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four year term as the Chief Executive Officer of the law enforcement district and ex-officio tax collector of the St. John the Baptist Parish (the "Parish"). The Sheriff administers the Parish jail system and exercises duties required by the Parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the Chief Law Enforcement Officer of the Parish, the Sheriff is responsible for enforcing state and local laws and ordinances within the territorial boundaries of the Parish. The Sheriff provides protection to the residents of the Parish through on-site patrols and investigations, and serves the residents of the Parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, the Sheriff, when requested, provides assistance to other law enforcement agencies within the Parish.

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

The accompanying financial statements of the St. John the Baptist Parish Sheriff (the "Sheriff") have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The accounting and reporting policies of the Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the AICPA industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

#### A. Financial Reporting Entity

For financial reporting purposes, the Sheriff includes all funds and activities that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which includes 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 Parish Council as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the Parish Council, Parish School Board,

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

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

and other independently elected Parish officials are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

**B. Basis of Presentation**

*Government-Wide Financial Statements (GWFS)*

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. The Sheriff has no business-type activities.

The statement of activities presents a comparison between program revenues of the Sheriff and the cost of the function. Program revenues are derived directly from Sheriff users as a fee for services. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. Indirect expenses are allocated proportionately among the various functions. Internal activity is eliminated.

*Fund Financial Statements*

The accounts of the Sheriff are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The only fund of the Sheriff (besides fiduciary funds) is classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Sheriff or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.



## St. John the Baptist Parish Sheriff's Office Notes to Financial Statements

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Two funds of the Sheriff are considered to be major funds and are described below:

#### *General Fund*

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for and reports all operations of the Sheriff's office not accounted for and reported in another fund. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include one fourth (1/4) cent sales tax, state revenue sharing, state supplemental pay for deputies, civil and criminal fees, and fees for court attendance and maintenance of prisoners. General operating expenditures are paid from this fund.

#### *Bond Construction Fund*

The Bond Construction Fund was created by a 2016 bond issuance for the purpose of construction on various capital projects.

The following funds are non-major funds:

#### *Agency Funds*

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

The individual agency funds used by the Sheriff for the year ended June 30, 2017 are as follows:

Civil Fund - To account for 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 collect and distribute these taxes and fees to the appropriate taxing bodies.

Prison Inmate Fund - To account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

## St. John the Baptist Parish Sheriff's Office Notes to Financial Statements

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Bond Fund -To account for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Community Relations Fund - To account for private donations used for scholarships and other activities of the high school students in the community that participate in the Parish Area Students Systematically Eliminating Drugs Program.

#### C. Measurement Focus/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.

##### *Measurement Focus*

In the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

##### *Basis of Accounting*

In the government-wide statement of net position and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non exchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are



## St. John the Baptist Parish Sheriff's Office Notes to Financial Statements

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within 60 days of the end of the fiscal year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. 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.

#### D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

##### *Cash, cash equivalents, and investments*

For purposes of the Statement of Net Position, cash and interest bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Sheriff.

##### *Interfund receivables and payables*

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

##### *Receivables*

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

##### *Capital Assets*

The accounting treatment for building, improvements and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements. In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Interest costs are not capitalized as they relate to capital assets. The Sheriff's threshold for capitalization is \$5,000.

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

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

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

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:

Buildings and improvements	20 - 40 years
Radios, equipment and vehicles	3 - 10 years

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.

*Long-term debt*

All long-term debt to be repaid from governmental funds is reported as liabilities in the government-wide statements. The long-term debt consists of capital lease payable and revenue bonds.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt is reported as other financing sources and payment of principal and interest reported as expenditures.

*Compensated Absences*

Employees of the Sheriff's Office who are employed from zero to 6 years are eligible to receive 6 to 12 days of vacation leave each year. In addition to receiving the 6 to 12 days of vacation leave for each year, employees can earn an additional 8 bonus hours of vacation leave for each year of employment in excess of 6 years. Also, employees can earn from 6 to 9 days of sick leave each year. Vacation and sick leave in excess of 21 and 20 days, respectively, is forfeited on June 30 of each year. Vacation leave (up to 21 days of carryover plus amounts earned in current year plus any additional bonus hours) earned by employees is paid upon retirement or termination. Sick leave earned by employees accumulates as noted above, but does not vest, and is forfeited upon retirement or termination.

At June 30, 2017, the Sheriff's Office has accumulated and vested \$572,547 in vacation leave privileges required to be accrued in accordance with GASB Codification Section C60.

*Deferred Outflows of Resources and Deferred Inflows of Resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future

## St. John the Baptist Parish Sheriff's Office Notes to Financial Statements

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

period and so will not be recognized as an expense or expenditure until then. The Sheriff has one item that meets this criterion, pension related deferrals and contributions made to the pension plan in the 2017 fiscal year that result from GASB 68. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Sheriff has one item that meets the criterion for this category, deferrals of pension expense that result from GASB Statement 68.

#### *Equity Classifications*

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

- a. Net investment in capital assets- Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Sheriff has no restricted net position.
- c. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Sheriff's policy is to apply restricted net position first.

Fund balances of the governmental funds are classified as follows:

*Non-spendable* - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

*Restricted* - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

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

*Committed* - amounts that can be used only for specific purposes determined by a formal action of the Sheriff's office. The Sheriff is the highest level of decision making authority for the Sheriff's office. Commitments may be established, modified, or rescinded only through ordinances approved by the Sheriff.

*Assigned* - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Sheriff's adopted policy, only the Sheriff may assign amounts for specific purposes.

*Unassigned* - all other spendable amounts.

As of June 30, 2017, fund balances are composed of the following:

	General Fund
Non-spendable:	
Inventories	\$ 1,997
Prepays	95,769
Restricted	-
Committed	8,240,423
Assigned	-
Unassigned	3,468,027
Total fund balances	\$ 11,806,216

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Sheriff considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Sheriff considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Sheriff has provided otherwise in its commitment or assignment actions.

**E. Budget and Budgetary Accounting**

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

1. The Chief Administrative Deputy prepares a proposed budget and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

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

3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. 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.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

**F. Prepaid Items**

Payments made to vendors for services that will benefit in periods beyond June 30, 2017 are recorded as prepaid items. Prepaid items that existed at June 30, 2017 were prepaid insurance and prepaid software services.

**G. Inventory**

The inventory is stated at cost, which is determined by the first-in, first-out method.

**H. Adoption of New Financial Accounting Standards**

The following Accounting Standards Update (ASU) were recently issued by GASB and adopted by the Sheriff:

In August 2015, the GASB issued Statement No. 77 – Tax Abatement Disclosures. The objective of this Statement is to improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from governmental programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. Adoption of this standard resulted in additional note disclosures for tax abatements in Note 14.



## St. John the Baptist Parish Sheriff's Office Notes to Financial Statements

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In March 2016, the GASB issued Statement No. 82 – Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No.73. 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 standard is effective for periods beginning after June 15, 2016. The Sheriff adopted this statement for the year ended June 30, 2017, which did not result in a material impact on the financial statements.

#### I. Future Accounting Pronouncements

In June 2015, the GASB issued Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. The standard is effective for the year ended June 30, 2018 and the Sheriff is currently assessing its impact, if any.

In January 2017, the GASB issued Statement No. 84 – Fiduciary Activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The standard is effective for the year ended June 30, 2018 and the Sheriff is currently assessing its impact, if any.

In March 2017, the GASB issued Statement No. 85 – Omnibus 2017 - The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The standard is effective for the year ended June 30, 2018 and the Sheriff is currently assessing its impact, if any.



## St. John the Baptist Parish Sheriff's Office Notes to Financial Statements

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In June 2017, the GASB issued Statement No. 87 – Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement 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 standard is effective for the year ending June 30, 2021 and the Sheriff is currently assessing its impact, if any.

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

### NOTE 2: CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Sheriff may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. At June 30, 2017, the Sheriff had cash and interest-bearing deposits (book balances) totaling \$6,401,505, of which \$1,799,907 is attributable to fiduciary funds, which is not presented in the statement of net position.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Sheriffs deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 2: CASH AND INTEREST-BEARING DEPOSITS (CONTINUED)**

are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at June 30, 2017, are secured as follows:

Total bank balance	\$	6,802,615
Insured	\$	801,766
Collateralized by pledging bank in Sheriff's name		5,051,940
Invested in governmental money market securities		948,909
Total insured and collateralized balance	\$	6,802,615

As of June 30, 2017, the Sheriff's total bank balances were fully insured and collateralized with the securities held in the name of the Sheriff by the pledging financial institution's agent and, therefore, they were not exposed to custodial credit risk.

**NOTE 3: INVESTMENTS**

The Sheriff categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Sheriff has the following fair value measurements as of June 30, 2017:

- U.S. government obligations are valued using prices quoted in active markets for those securities (Level 1 inputs)
- U.S. government sponsored enterprise securities are valued using prices quoted in active markets for those securities or quoted prices for identical securities in markets that are not active.

June 30, 2017	Level 1	Level 2	Level 3	Total
U.S. government obligations	\$ 3,482,775	\$ -	\$ -	\$ 3,482,775
U.S. government sponsored enterprise securities	3,494,685	-	-	3,494,685
Total	\$ 6,977,460	\$ -	\$ -	\$ 6,977,460

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 4: AD VALOREM TAXES**

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

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 Sheriff's General Fund, were levied at the rate of 32.99 mills on property with assessed valuations totaling \$427,246,759.

Total law enforcement taxes levied during 2017 were \$14,094,871. There were no taxes receivable in the General Fund at June 30, 2017.

**NOTE 5: DUE FROM OTHER GOVERNMENTS**

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

Maintenance of prisoners	\$	125,498
Federal and state grants		139,684
Reimbursement for salaries		397,977
Reimbursement of expenses		93,877
Commissions on video poker		145,657
Commissary		1,219
Sales tax revenue		786,394
Court system		21,662
Civil		10,085
Bond Fees		5,265
Other		11,469
<b>Total amounts due</b>	<b>\$</b>	<b>1,738,787</b>

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 6: CAPITAL ASSETS**

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

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<b>Governmental activities</b>				
<b>Assets not being depreciated</b>				
Land	\$ 158,500	\$ -	\$ -	\$ 158,500
Construction in progress	939,745	646,278	-	1,586,023
<b>Assets being depreciated</b>				
Buildings	5,258,772	280,465	-	5,539,237
Radios	2,365,761	25,656	-	2,391,417
Equipment and vehicles	11,020,009	350,459	(116,267)	11,254,201
<b>Total assets</b>	<b>19,742,787</b>	<b>1,302,858</b>	<b>(116,267)</b>	<b>20,929,378</b>
<b>Less accumulated depreciation</b>				
Buildings	(2,050,515)	(204,408)		(2,254,923)
Radios	(1,946,689)	(48,108)		(1,994,797)
Equipment and vehicles	(6,068,080)	(1,382,197)	116,267	(7,334,010)
<b>Total accumulated depreciation</b>	<b>(10,065,284)</b>	<b>(1,634,713)</b>	<b>116,267</b>	<b>(11,583,730)</b>
<b>Governmental activities, capital assets, net</b>	<b>\$ 9,677,503</b>	<b>\$ (331,855)</b>	<b>\$ -</b>	<b>\$ 9,345,648</b>

Depreciation expense of \$1,634,713 was charged to the public safety function.

Construction in progress is comprised of the following:

Governmental Activities:	Expended to June 30, 2017
Narcotics building	\$ 794,623
Shooting range	729,115
Miscellaneous buildings	62,285
<b>Total</b>	<b>\$ 1,586,023</b>

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 7: LONG-TERM DEBT**

On August 11, 2016, the Sheriff issued \$8,885,000 of Limited Tax Revenue Bonds, Series 2016. The Bonds were issued for the purpose of acquiring, constructing, improving and renovating law enforcement buildings and other facilities, acquiring land, equipment and furnishings thereof, and paying the costs of the issuance of the Bonds. The Bonds are secured by and payable from an irrevocable pledge and dedication of the funds to be derived by the Issuer from the levy and collection of (i) a special tax of 16.00 mills (such rate being subject to adjustment from time to time due to reassessment) which the Sheriff is authorized to impose and collect each year within the boundaries of the District, pursuant to Section 13:5903A of the Louisiana Revised Statutes of 1950, as amended, and (ii) a special tax of 16.99 mills (such rate being subject to adjustment from time to time due to reassessment) which the Sheriff is authorized to impose and collect each year within the corporate boundaries of the Sheriff pursuant to an election held on July 18, 1998.

The following schedule shows the changes in limited tax revenue tax bonds, the outstanding balance on the bonds at June 30, 2017 and the total future interest on the bonds:

Bond	Date of Issuance	Authorized and Issued	Interest Rate %	Maturity Date	Principal Outstanding	Interest to Maturity
Series 2016	8/11/2016	\$ 8,885,000	2.00 – 4.00	3/01/2027	<u>\$ 8,585,000</u>	<u>\$ 3,309,050</u>

Annual debt service to maturity is as follows:

Fiscal Year	Principal and Interest	Interest	Principal
2018	\$ 624,250	\$ 299,250	\$ 325,000
2019	627,650	292,650	335,000
2020	625,900	285,900	340,000
2021	625,500	275,500	350,000
2022	626,200	261,200	365,000
2023–2027	3,130,100	1,070,100	2,060,000
2028–2032	3,132,275	637,275	2,495,000
2033–2036	2,502,175	187,175	2,315,000
	<u>\$ 11,894,050</u>	<u>\$ 3,309,050</u>	<u>\$ 8,585,000</u>

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 7: LONG-TERM DEBT (CONTINUED)**

The following is a summary of changes in long-term debt for the year ended June 30, 2017:

Governmental Activities, net	July 1, 2016	Additions	Reductions	June 30, 2017	Due within one year
Capital leases	\$ 468,696	\$ -	\$ 131,044	\$ 337,652	\$ 135,605
Claims and judgments	766,112	767,255	339,869	1,193,498	147,577
Compensated absences	501,597	611,826	540,876	572,547	77,446
Revenue Bonds, Series 2016	-	8,885,000	300,000	8,585,000	325,000
Premium	-	1,041,024	90,167	950,857	-
Net pension liability	8,128,327	3,025,154	-	11,153,481	-
Net OPEB obligation	13,630,631	888,658	658,758	13,860,531	-
<b>Total long-term debt</b>	<b>\$ 23,495,363</b>	<b>\$ 15,218,917</b>	<b>\$ 2,060,714</b>	<b>\$ 36,653,566</b>	<b>\$ 685,628</b>

Capital Leases

The Sheriff entered into a five year capital lease for police equipment in 2014. The lease called for annual installments of \$41,133 with an interest rate of 2.94%. The book value of the asset is \$132,314 and there is accumulated depreciation of \$61,316 at June 30, 2017.

During the year ended June 30, 2015, the Sheriff entered into a five year capital lease for police equipment due in annual installments of \$106,650 with an interest rate of 3.63%. The book value of the asset is \$383,150 and there is \$95,787 of accumulated depreciation at June 30, 2017.

The annual requirements to amortize all capital leases outstanding at June 30, 2017 are as follows:

Year Ending June 30	Principal	Interest	Total
2018	\$ 135,605	\$ 12,179	\$ 147,784
2019	99,193	7,458	106,651
2020	102,854	3,797	106,651
<b>Total</b>	<b>\$ 337,652</b>	<b>\$ 23,434</b>	<b>\$ 361,086</b>

The general fund has historically funded the capital leases. Total interest incurred on capital leases for the year ended June 30, 2017 was \$200,907, all of which was expensed.

Risk Management

The Sheriff is exposed to risks of loss in the areas of health care, property hazards and workers' compensation. These risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year, nor have settlements exceeded coverage for the past three years.

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 7: LONG-TERM DEBT (CONTINUED)**

Effective November 1, 1997, the Sheriff established a self-insurance plan, which is administered by F .A. Richard and Associates, Inc. (FARA), to account for and finance its risk of loss for auto and professional liability. The administrator calculates the estimated amount of the liability on each claim based on facts and circumstances of said claim. Under this plan, the Sheriff has a claims made policy with St. Paul Insurance Company. The Sheriff is liable for claims up to \$50,000 per covered employee or dependent. The aggregate annual maximum that the Sheriff is liable for is \$450,000. FARA handles professional liability claims made prior to November 1, 2014. The amount of liability recorded at June 30, 2017 (for all open years) is \$62,900.

Effective September 1, 2014, the Sheriff joined the Louisiana Sheriffs' Law Enforcement Program (LSLEP) to cover the Law Enforcement Professional Liability and placed the Automobile Liability with American Alternative Insurance Corporation through the Louisiana Sheriffs' Risk Purchasing Group, Inc. The Sheriff is liable for claims up to \$100,000 per occurrence on the Professional Liability policy with a \$2,900,000 aggregate limit. The Automobile policy has a \$1,000,000 combined single limit with a \$50,000 deductible per claim. All professional liability claims made November 1, 2014 and thereafter are covered through LSLEP. Auto claims beginning August 1, 2016 are covered under the Louisiana Sheriff's Risk Purchase Group, Inc. The amount of liability recorded at June 30, 2017 (for all open years) is \$1,130,598.

A reconciliation of changes in insurance liabilities for the year ending June 30, 2017 is as follows:

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year-End
2016-2017	\$ 766,112	\$ 767,255	\$ 339,869	\$ 1,193,498

Commitments and Contingencies

At June 30, 2017, the Sheriff was involved in several lawsuits claiming damages. On all other lawsuits, management is of the opinion that the liability recorded of \$1,193,498 should be adequate to cover any monetary damages and therefore, no additional liability has been accrued at June 30, 2017 as it relates to these lawsuits.

**NOTE 8: SHORT-TERM DEBT**

Short-term debt provides financing for the Sheriff's governmental activities. On November 1, 2016, the Sheriff issued a Revenue Anticipation Note in the amount of \$3,000,000. This debt was issued for interim financing of general fund operations. On January 11, 2017, the Sheriff repaid the note plus \$12,778 in interest at a rate of 2%.

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 8: SHORT-TERM DEBT (CONTINUED)**

The following is a summary of changes in short-term debt for the year ended June 30, 2017:

Short term debt, June 30, 2016	\$	-
Debt assumed		3,000,000
Debt retired		(3,000,000)
Short term debt, June 30, 2017	\$	-

**NOTE 9: OPERATING LEASES**

The Sheriff is obligated under an operating lease for vehicles. The lease expires in 2022. The minimum future lease payments for the lease of vehicles are as follows:

Year ended June 30,		Amount
2018	\$	418,621
2019		412,209
2020		412,209
2021		260,420
2022		31,782
Total	\$	1,535,241

The total payments for the lease for the year ended June 30, 2017 was \$300,793.

**NOTE 10: PENSION PLAN**

Plan Description

The Sheriff's Pension and Relief Fund (the "Fund") was established for the purpose of providing retirement benefits for employees of sheriffs' offices throughout the State of Louisiana, employees of Louisiana Sheriffs' Association and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any and additional legal agreements to provide benefits that are in force at the measurement date.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.



**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 10: PENSION PLAN (CONTINUED)**

A. Retirement

For members who become eligible for membership on or before December 31, 2011: Members with twelve years of credible service may retire at age fifty-five; members with thirty years of service 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 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 actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

For members whose first employment making them eligible for membership in the system began on or after January 1, 2012: Members 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 years of creditable service may retire at age fifty-five. The benefit accrual rate for such members with less than thirty years of service is three percent; for members with thirty or more years of service the accrual rate is three and one-third percent. The retirement allowance is equal to 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. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

For a member whose first employment making them 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. The earnings to be considered for each twelve-month period within the thirty-six month period shall not exceed 125% of the preceding twelve-month period.

For a member whose first employment making them eligible for membership in the system began after June 30, 2006 and before July 1, 2013, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty month period shall not exceed 125% of the preceding twelve-month period.

For a member whose first employment making them eligible for membership in the system began on or after July 1, 2013, final average compensation is based on the average monthly

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 10: PENSION PLAN (CONTINUED)**

earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve-month period within the sixty month period shall not exceed 115% of the preceding twelve-month period.

**B. Disability Benefits**

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 service related disability. Disability benefits shall be the lesser of 1) a sum equal to the greatest of 45% of final average compensation or the members' accrued retirement benefit at the time of termination of employment due to disability, or 2) the retirement benefit which would be payable assuming continued service to the earliest normal retirement age. Members who become partially disabled receive 75% of the amount payable for total disability.

**C. Survivor's Benefits**

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-three, if the child is a full time student in good standing enrolled at a board approved or accredited school, college, or university.

**D. Deferred Benefits**

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

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 10: PENSION PLAN (CONTINUED)**

E. Back Deferred Retirement Option Plan (Back-DROP)

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

F. Cost-of-Living Adjustments

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

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2017, the actual employer contribution rate was 13.75%. For the year ended June 30, 2016, the actuarially determined employer contribution rate was 14.00%. 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 Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 10: PENSION PLAN (CONTINUED)**

excluded from pension expense for the year ended June 30, 2017. Contributions to the pension plan from the Sheriff were \$1,611,519 for the year ended June 30, 2017.

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

At June 30, 2017, the Sheriff reported a liability of \$11,153,481 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 1.75731%, which was a decrease of 0.06620% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Sheriff recognized pension expense of \$1,739,230 plus the Sheriff's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of \$(259).

At June 30, 2017, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,169,877
Net difference between projected and actual earnings on pension plan investments	2,793,392	-
Changes in assumptions	911,205	-
Changes in proportion	371,819	323,386
Employer contributions subsequent to the measurement date	1,611,519	-
<b>Total</b>	<b>\$ 5,687,935</b>	<b>\$ 1,493,263</b>

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 10: PENSION PLAN (CONTINUED)**

Deferred outflows of resources of \$1,611,519 related to pensions resulting from the Sheriff's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 336,633
2019	336,632
2020	1,150,291
2021	814,730
2022	(27,571)
2023	(27,556)

*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:

Valuation date	June 30, 2016
Valuation method	Entry age normal
Inflation	2.875% per annum
Projected salary increases	5.5% (2.875% Inflation, 2.625% Merit)
Investment rate of return	7.6% net of investment expense
Mortality rates	RP-2000 Combined Healthy with Blue Collar Adjustment Set Distinct Table for active members, healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table.
Expected remaining service lives	7 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 10: PENSION PLAN (CONTINUED)**

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

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

The rate of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Equity Securities	60%	3.9%
Bonds	25	0.5
Alternative Investments	15	0.6
Totals	100%	5.0%

*Discount Rate*

The discount rate used to measure the total 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 Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 10: PENSION PLAN (CONTINUED)**

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

The following presents the Sheriff's proportionate share of the 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:

	1.0% Decrease (6.5%)	Current Discount Rate (7.5%)	1.0% Increase (8.5%)
Sheriff's proportionate share of the net pension liability	\$ 18,923,017	\$ 11,153,481	\$ 4,740,650

*Support of Non-employer Contributing Entities*

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Sheriff recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2017, the Sheriff recognized revenue as a result of support received from non-employer contributing entities of \$682,637 for its participation in the Sheriff's Pension and Relief Fund.

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued Sheriffs' Pension and Relief Fund Audit Report at [www.lla.la.gov](http://www.lla.la.gov). The Sheriffs' Pension and Relief Fund issues a publicly available audit report that includes financial statements and required supplementary information.

*Payables to the Pension Plan*

Payables to the Pension Plan for contractually required contributions were \$743,519 as of June 30, 2017.



## St. John the Baptist Parish Sheriff's Office Notes to Financial Statements

### NOTE 11: POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

#### Plan Description

The Sheriff's medical and life insurance benefits are provided to employees upon actual retirement.

The employer pays 100% of net cost (total premium less retiree contribution, if any) of retiree medical coverage for employees hired on or before July 1, 2010. For employees hired after July 1, 2010 (La. R.S. 13:5554-AA), the employer contributes a graded percentage of the cost of retiree coverage based on length of service at retirement: 30 years or more, 100%; 25 but less than 30 years, 75%; 20 but less than 25 years, 50%; and, less than 20 years, 0%. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age or, age 55 and 12 years of service. See the section below entitled "Post-employment Benefit Plan Eligibility Requirements" for the assumption as to time of actual retirement.

Life insurance coverage is continued to retirees based on a blended rate for active employees and retirees. The employer pays for 100% of the "cost" of life insurance after retirement for the retiree. However, those rates are based on the blended active/retired rate and there is thus an implied subsidy. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

#### Contribution Rates

Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

#### Fund Policy

Until 2010, the Sheriff recognized the cost of providing post-employment medical and life insurance benefits (the Sheriff's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Sheriff's portion of health care and life insurance funding cost for retired employees totaled \$658,758 and \$496,746, respectively.

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 11: POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)**

Effective July 1, 2010, the Sheriff implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution

The Sheriff's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	2017	2016
Normal Cost	\$ 241,600	\$ 383,360
30-year UAL amortization amount	890,094	793,528
Annual required contribution (ARC)	\$ 1,131,694	\$ 1,176,888

Net Post-employment Benefit Obligation (Asset)

The table below shows the Sheriff's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending June 30:

	2017	2016
Beginning Net OPEB Obligation	\$ 13,630,631	\$ 13,185,589
Annual required contribution	1,131,694	1,176,888
Interest on Net OPEB Obligation	545,225	527,424
ARC Adjustment	(788,261)	(762,524)
OPEB Cost	888,658	941,788
Contribution to Irrevocable Trust	-	-
Current year retiree premium	(658,758)	(496,746)
Change in Net OPEB Obligation	229,900	445,042
Ending Net OPEB Obligation	\$ 13,860,531	\$ 13,630,631

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 11: POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)**

The following table shows the Sheriff's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability for last year and this year:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
<b>June 30, 2017</b>	<b>\$ 888,658</b>	<b>74.13%</b>	<b>\$ 13,860,531</b>
June 30, 2016	\$ 941,788	52.75%	\$ 13,630,631

Funded Status and Funding Progress

In 2017 and 2016, the St. John the Baptist Parish Sheriff made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$16,007,304 which is defined as that portion, as determined by a particular actuarial cost method (the Sheriff uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	2017	2016
Actuarial Accrued Liability (AAL)	\$ 16,007,304	\$ 14,270,740
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	\$ 16,007,304	\$ 14,270,740
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 12,289,516	\$ 11,678,993
UAAL as a percentage of covered payroll	130.25%	122.19%

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.



## St. John the Baptist Parish Sheriff's Office Notes to Financial Statements

### NOTE 11: POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Sheriff and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Sheriff and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Sheriff and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

#### Actuarial Cost Method

The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

#### Actuarial Value of Plan Assets

There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

#### Turnover Rate

An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 12%. The turnover rate for prison employees was assumed to be 50% in the first five years of service.

#### Post-employment Benefit Plan Eligibility Requirements

Historically, employees have entered D.R.O.P. after age 55 and 25 years of service, thirty years of service, or age 65 and 12 years of service. We have therefore assumed that employees retire four years after that historical retirement age as just described. The four years is to accommodate the D.R.O.P. period plus one additional year. Medical benefits are provided to employees upon actual retirement.



## St. John the Baptist Parish Sheriff's Office Notes to Financial Statements

### NOTE 11: POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

#### Investment Return Assumption (Discount Rate)

GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

#### Health Care Cost Trend Rate

The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

#### Mortality Rate

The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

#### Method of Determining Value of Benefits

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "blended" rates for active and retired before Medicare eligibility. We have therefore estimated the total "unblended" rates as required by GASB Codification Section P50 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility. The employer contribution is then the total unblended rate so determined less the retiree contribution, if any. Unblended rates were provided for after age 65 and were used as is.

#### Inflation Rate

Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 11: POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)**

Projected Salary Increases

This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases

The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal years.

OPEB Costs and Contributions					
		FY 2015		FY 2016	FY 2017
OPEB Cost	\$	904,448	\$	941,788	\$ <b>888,658</b>
Contribution		-		-	-
Retiree premium		459,950		496,746	<b>658,758</b>
Total contribution and premium		459,950		496,746	<b>658,758</b>
Change in net OPEB obligation	\$	444,498	\$	445,042	\$ <b>229,900</b>
% of contribution to cost		0.00%		0.00%	<b>0.00%</b>
% of contribution plus premium to cost		50.85%		52.75%	<b>74.13%</b>

**NOTE 12: EX-OFFICIO TAX COLLECTOR**

The amount of taxes collected by taxing authority is listed below. Of the \$13,760,927 collected for St. John Parish Law Enforcement, \$75,783 is related to commissions and fees on tax collections.

St. John Parish Government	\$ 12,038,886
St. John Parish School Board	16,365,946
St. John Parish Assessor	1,265,362
St. John Parish Law Enforcement	13,763,613
St. John Parish Library	4,131,038
Lafourche Levee District	25,082
Pontchartrain Levee District	1,438,146
Louisiana Tax Commission	18,286
	<b>\$ 49,046,359</b>

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 12: EX-OFFICIO TAX COLLECTOR (CONTINUED)**

The amount of taxes assessed and uncollected, and the reason for failure to do so is as follows:

	Louisiana Tax Commission Decreases	Bankruptcy	Unpaid
St. John Parish Government	\$ 312,341	\$ -	\$ 8,167
St. John Parish School Board	421,763	-	10,567
St. John Parish Assessor	32,617	-	817
St. John Parish Law Enforcement	353,955	-	8,868
St. John Parish Library	106,648	-	2,672
Lafourche Levee District	902	-	11
Pontchartrain Levee District	36,916	-	936
<b>Total</b>	<b>\$ 1,265,142</b>	<b>\$ -</b>	<b>\$ 32,038</b>

In addition, the Sheriff collected \$1,225,613 of occupational licenses fees and remitted \$1,041,778 to the St. John Parish Government and \$48,221 to the St. John Parish Sheriff's general fund. The remaining \$135,614 was paid in collection commissions.

**NOTE 13: DEFERRED COMPENSATION**

Certain employees of the Sheriff participate in the Louisiana Public Employees' Deferred Compensation Plan (the Plan) qualified under Section 457 of the Internal Revenue Code. The Plan covers fulltime employees who have elected to participate in the Plan. The Sheriff matches up to 10% of the employee's contributions based on years of continuous service. Employees may contribute to the Plan up to the maximum amount allowed by the Internal Revenue Code.

The Sheriff's contributions to the Plan were \$240,975 for the year ended June 30, 2017. 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.

**NOTE 14: TAX ABATEMENTS**

Louisiana Economic Development (LED) is a Department of the State of Louisiana and administers many development oriented incentives, including the Industrial Tax Exemption Program (ITEP). Under the ITEP, the LED negotiates property tax (Ad Valorem) abatement agreements on an individualized basis. The process involves submitting advance notification including a fee, completion of an initial application along with submission of any required documentation, review of application and submission to the Louisiana Board of Commerce and Industry for consideration. If final approval is granted, the Board issues a contract through LED. Each agreement is negotiated for

**St. John the Baptist Parish Sheriff's Office**  
**Notes to Financial Statements**

**NOTE 14: TAX ABATEMENTS (CONTINUED)**

a variety of economic development purposes, including job creation, business relocation, retention, and expansion.

As of June 30, 2017, nine industrial companies located in the Parish are currently under the Industrial Tax Exemption program. The typical term of these agreements are for ten years and provided Ad valorem tax abatement during the fiscal year of 2017 in the amount of \$589,162.

The LED has not made any commitments as part of the agreements other than to reduce taxes. The Parish is not subject to any tax abatement agreements entered into by other governmental entities other than the LED.

**NOTE 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2017, is as follows:

	<b>Payable Funds</b> <b>Bond Construction Fund</b>
<hr/>	
<b>Receivable Funds</b>	
General Fund	\$ 62,285

The above due to/from other funds were short-term receivables or payables resulting from the normal course of the Sheriff's operations.

A summary of interfund transfers at June 30, 2017, are as follows:

	<b>Transfer In</b> <b>General Fund</b>
<hr/>	
<b>Transfer Out</b>	
Bond Construction Fund	\$ 939,745

Transfers are primarily used to move funds from the Bond Construction Fund to the General Fund in connection to construction costs being paid by the General Fund before the issuance of Series 2016 limited tax revenue bonds.

**NOTE 16: SUBSEQUENT EVENTS**

Subsequent events have been evaluated through December 21, 2017, the date the financial statements are available to be issued and no material events were noted for disclosure.



**Required Supplementary  
Information (Part II)**

**St. John the Baptist Parish Sheriff's Office**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance- Budget to Actual**  
**General Fund**

For the year ended June 30,

2017

	Original Budget	Revised Budget	Actual	Variance from Revised Budget
<b>REVENUES:</b>				
Taxes	\$ 17,744,000	\$ 18,794,000	\$ 18,794,264	\$ 264
Intergovernmental	2,592,000	2,783,629	2,209,920	(573,709)
Fees, charges, and commissions for services	4,123,000	3,821,300	4,093,030	271,730
Interest income	8,000	32,500	65,534	33,034
Miscellaneous	72,500	85,500	267,486	181,986
<b>Total Revenues</b>	<b>24,539,500</b>	<b>25,516,929</b>	<b>25,430,234</b>	<b>(86,695)</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Public Safety</b>				
Personal services and related benefits	18,410,778	19,016,000	18,970,640	45,360
Operating services	1,368,500	1,725,900	1,247,252	478,648
Operating and maintenance	3,708,000	4,134,000	4,833,551	(699,551)
Travel	4,000	9,200	9,298	(98)
Capital outlay	381,651	774,335	656,580	117,755
<b>Debt service:</b>				
Principal retirement	3,500,000	3,476,500	431,043	3,045,457
Interest and fiscal charges	12,000	12,778	200,907	(188,129)
<b>Total Expenditures</b>	<b>27,384,929</b>	<b>29,148,713</b>	<b>26,349,271</b>	<b>2,799,442</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(2,845,429)</b>	<b>(3,631,784)</b>	<b>(919,037)</b>	<b>2,712,747</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from revenue anticipation note	3,000,000	3,000,000	-	(3,000,000)
Sale of capital assets	20,000	2,600	-	(2,600)
Transfer In	-	-	939,745	939,745
<b>Total other financing sources—net</b>	<b>3,020,000</b>	<b>3,002,600</b>	<b>939,745</b>	<b>(2,062,855)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>174,571</b>	<b>(629,184)</b>	<b>20,708</b>	<b>649,892</b>
<b>FUND BALANCES—Beginning of year</b>	<b>3,523,223</b>	<b>3,545,085</b>	<b>3,545,085</b>	<b>-</b>
<b>FUND BALANCES—End of year</b>	<b>\$ 3,697,794</b>	<b>\$ 2,915,901</b>	<b>\$ 3,565,793</b>	<b>\$ 649,892</b>

**St. John the Baptist Parish Sheriff's Office**  
**Schedule of Funding Progress - Other Post-Employment Benefits**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
July 1, 2012	\$ -	\$ 17,716,676	\$ 17,716,676	0%	\$ 10,005,020	177%
July 1, 2014	-	13,721,865	13,721,865	0%	12,001,012	114%
July 1, 2016	-	14,270,740	14,270,740	0%	11,678,993	122%

**St. John the Baptist Parish Sheriff's Office**  
**Schedule of Proportionate Share of Net Pension Liability for**  
**Sheriff's Pension and Relief Fund**  
**Last Three Fiscal Years**

For the Year Ended June 30,	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered-employee payroll	Agency's Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	1.757310%	\$ 11,153,481	\$ 11,976,153	93.13%	82.10%
2016	1.823510%	\$ 8,128,327	\$ 12,092,300	67.22%	86.61%
2015	1.735850%	\$ 6,849,906	\$ 11,148,432	61.44%	87.34%

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

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

***Changes of Benefit Terms***

There were no changes of benefit terms for the last three fiscal years.

***Changes of Assumptions***

For the actuarial valuation for the year ended June 30, 2015, the discount rate was reduced from 7.7% to 7.6%, the salary increase assumption was reduced from 6% to 5.5%, and the inflation assumption was reduced from 3% to 2.875%.

The remaining service life of employees for the year ended June 30, 2017 was increased from 6 years to 7 years, and the discount rate was reduced from 7.6% to 7.5%.

**St. John the Baptist Parish Sheriff's Office**  
**Schedule of Employer Contributions to Sheriff's Pension and Relief Fund**  
**Last Four Fiscal Years**

For the Year Ended June 30,	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2017	\$ 1,611,519	\$ 1,611,519	\$ -	\$ 12,161,444	13.3%
2016	\$ 1,646,721	\$ 1,646,721	\$ -	\$ 11,976,153	13.7%
2015	\$ 1,723,153	\$ 1,723,153	\$ -	\$ 12,092,300	14.3%
2014	\$ 1,548,517	\$ 1,548,417	\$ -	\$ 11,148,432	13.9%

\*Amounts presented were determined as of the end of the year.

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



**Other Supplementary  
Information**

**STATE OF LOUISIANA, PARISH OF ST. JOHN THE BAPTIST**

**AFFIDAVIT**

**MICHAEL TREGRE, Sheriff of ST. JOHN THE BAPTIST PARISH SHERIFF**

**BEFORE ME**, the undersigned authority, personally came and appeared, Michael Tregre, the Sheriff of St. John the Baptist Parish, State of Louisiana, who after being duly sworn, deposed and said:

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

**\$7,843 is the amount of cash on hand in the tax collector account on June 30, 2017**

He further deposed and said:

**All itemized statements of the amount of taxes collected for 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.**

  
Signature  
Sheriff of St. John the Baptist Parish

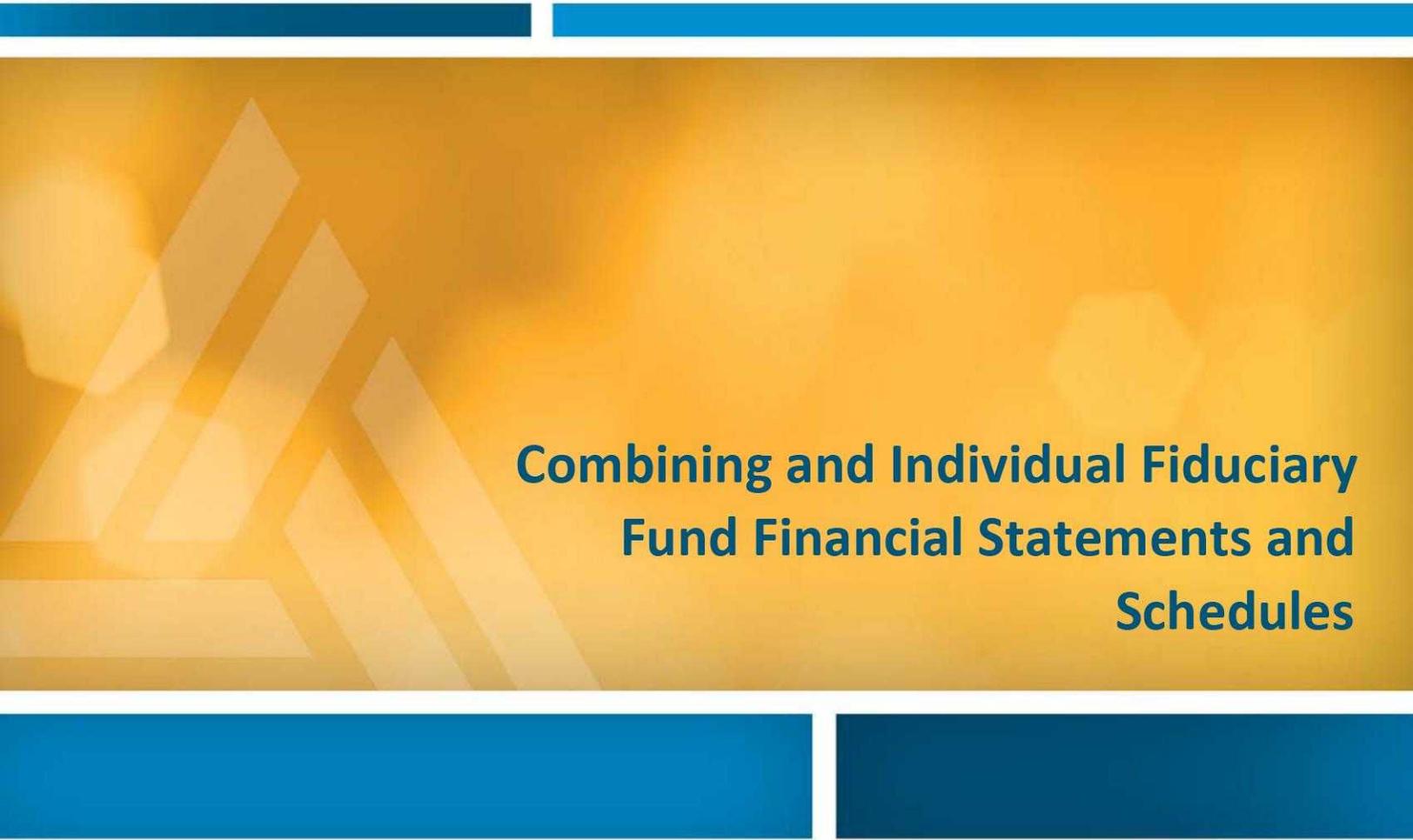
**Sworn to and subscribed before me, Ex-officio Notary, this 21st day of December 2017, in my office in LaPlace, Louisiana.**

  
Jeffrey Clement #82747  
Ex-Officio Notary  
St. John the Baptist Parish  
Sheriff's Office

**St. John the Baptist Parish Sheriff's Office**  
**Schedule of Compensation, Benefits, and Other Payments to Agency Head**  
**For the Year Ended June 30, 2017**

**Agency Head Name: Sheriff Mike Tregre**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 159,255
Benefits-insurance	20,369
Benefits-retirement	26,549
Benefits-medicare	2,624
Benefits-worker's compensation	-
Benefits-unemployment	398
Cell phone	2,300
Uniforms	1,385
Per diem	1,052
Reimbursements-advertising	-
Travel	-
Fuel usage	2,700
Conference travel	9,000
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	1,700
<b>Total</b>	<b>\$ 227,332</b>



**Combining and Individual Fiduciary  
Fund Financial Statements and  
Schedules**



## St. John the Baptist Parish Sheriff's Office Fiduciary Funds- Descriptions of Funds

### **Agency Funds**

All of these funds are reflected in the totals of the agency funds presented in the Statement of Fiduciary Assets and Liabilities

### **Civil Fund**

Established to account for 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**

Established per Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

### **Prison Inmate Fund**

Established to account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

### **Bond Fund**

Established to account for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

### **Community Relations Fund**

Established to account for private donations used for scholarships and other activities of the high school students in the community that participate in the Parish Area Students Systematically Eliminating Drugs Program.

**St. John the Baptist Parish Sheriff's Office**  
**Agency Funds**  
**Combining Schedule of Changes in Assets and Liabilities**

For the year ended June 30,

2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<b>CIVIL FUNDS</b>				
ASSETS - Cash	\$ 366,344	\$ 1,999,189	\$ 2,059,586	\$ 305,947
LIABILITIES- Held for taxing bodies	\$ 366,344	\$ 1,999,189	\$ 2,059,586	\$ 305,947
<b>TAX COLLECTOR FUNDS</b>				
ASSETS - Cash	\$ 116,651	\$ 51,735,311	\$ 51,705,115	\$ 146,847
LIABILITIES- Held for taxing bodies	\$ 116,651	\$ 51,735,311	\$ 51,705,115	\$ 146,847
<b>PRISON INMATE FUNDS</b>				
ASSETS - Cash	\$ 97,319	\$ 361,149	\$ 397,340	\$ 61,128
LIABILITIES- Held for inmates	\$ 97,319	\$ 361,149	\$ 397,340	\$ 61,128
<b>BOND FUNDS</b>				
ASSETS - Cash	\$ 1,453,141	\$ 3,482,862	\$ 3,654,438	\$ 1,281,565
LIABILITIES- Held for taxing bodies	\$ 1,453,141	\$ 3,482,862	\$ 3,654,438	\$ 1,281,565
<b>COMMUNITY RELATIONS FUND</b>				
ASSETS - Cash	\$ 982	\$ 7,840	\$ 4,402	\$ 4,420
LIABILITIES- Held for taxing bodies	\$ 982	\$ 7,840	\$ 4,402	\$ 4,420
<b>TOTALS-ALL AGENCY FUNDS</b>				
ASSETS - Cash and investments	\$ 2,034,437	\$ 57,586,351	\$ 57,820,881	\$ 1,799,907
LIABILITIES:				
Held for taxing bodies	\$ 1,937,118	\$ 57,225,202	\$ 57,423,541	\$ 1,738,779
Held for inmates	97,319	361,149	397,340	61,128
<b>TOTAL</b>	<b>\$ 2,034,437</b>	<b>\$ 57,586,351</b>	<b>\$ 57,820,881</b>	<b>\$ 1,799,907</b>



***Government Auditing Standards***  
**Report and Schedules**



Carr, Riggs & Ingram, LLC  
111 Veterans Memorial Blvd.  
Suite 350  
Metairie, Louisiana 70005

(504) 833-2436  
(504) 484-0807 (fax)  
www.CRIcpa.com

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

Honorable Michael Tregre, Sheriff  
St. John the Baptist Parish Sheriff's Office  
Laplace, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. John the Baptist 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 of the financial statements, 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned responses as items 2017-001 and 2017-002 that we consider to be material weaknesses.

## **Compliance and Other Matters**

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

## **Schedule of Findings and Responses**

The Sheriff's responses to the findings identified in our audit are described in the accompanying corrective action plan. The Sheriff's responses were not subjected to the auditing procedures applied in the audit of the financial statements and we express no opinion on them.

## **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 opinions 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.

*Caru, Riggs & Ingram, L.L.C.*

December 21, 2017

**St. John the Baptist Parish Sheriff's Office**  
**Schedule of Findings and Responses**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

2017-001 Material Weakness - Preparation of Financial Statements

- Criteria:* The Sheriff should have systems of internal accounting control which ensure the basic financial statements are presented in accordance with U.S. generally accepted accounting principles.
- Condition:* The Sheriff does not have adequate policies, procedures, and related internal controls to prepare accurate and complete financial statements. During our audit, we noted the accounting personnel of the Sheriff performed the reconciliations and analysis of its significant accounts after trial balances were provided to the auditors, and as a result, adjustments to the financial statements were recorded as part of our audit procedures.
- Cause:* The Sheriff does not have adequate policies and procedures to prepare accurate and complete financial statements in accordance with U. S. generally accepted accounting principles.
- Effect:* The Sheriff recorded material adjustments identified in the audit process to ensure the financial statements were presented in accordance with U. S. generally accepted accounting principles.
- Recommendation:* The Sheriff has a limited amount of resources in its accounting department. It is not possible at this time to add additional resources to the accounting and reporting function, however, the Sheriff should make the most cost effective use of its personnel.

2017-002 Material Weakness - Lack of Internal Controls Over Receipts of Ticket Revenue and Allocation of Court Costs

- Criteria:* The Sheriff should have a system of internal accounting controls which ensure the safeguarding of its assets (i.e. ticket revenue) and that the correct amount of court costs are recorded and allocated properly.
- Condition:* The Sheriff does not have adequate policies, procedures, and related internal controls in regards to the collection of ticket revenue. During our audit, we observed the Sheriff's employees did not have adequate segregation of accounting duties with respect to ticket



## St. John the Baptist Parish Sheriff's Office Schedule of Findings and Responses

receipts. The Sheriff's employees are able to both accept payments for tickets while also having access to modify the ticket fine in the computer database. In addition, we noted thirteen (13) instances out twenty-five (25) randomly selected for testing that the Sheriff does not allocate court costs to the different taxing bodies consistently, with incorrect allocation amounts of \$5 to \$110.

*Cause:* The Sheriff does not have appropriate policies and procedures in place for the proper recording and monitoring of receipts that are received for ticket payments. In addition, the cost models currently being used are not consistent for various charges as 13 out of 25 randomly selected were not properly allocated.

*Effect:* Incorrect amounts could be remitted to other agencies due to incorrect allocations.

*Recommendation:* The Sheriff should implement a written policy on ticket revenue. This policy should detail who can modify ticket fines. The Sheriff should periodically review the cost models associated with each charge in the ticket system to ensure court costs are allocated at the proper rates to the proper taxing bodies.



**St. John the Baptist Parish Sheriff's Office  
Summary Schedule of Prior Audit Findings**

**SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

2016-001 Preparation of Financial Statements

*Condition:* The Sheriff did not have adequate policies, and related internal controls to prepare accurate and complete financial statements.

*Status:* Unresolved. See current year finding 2017-001.

**SECTION II – MANAGEMENT LETTER**

Not applicable.



## St. John the Baptist Parish Sheriff's Office Corrective Action Plan

### SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

#### 2017-001 Preparation of the Financial Statements

*Corrective Action Plan:* The Sheriff has a limited amount of resources in its accounting department. It is not possible at this time to add additional resources to the accounting and reporting function, however, the Sheriff will analyze its resources in order to allow for the most cost effective use of personnel. Mr. Jeffrey Clement, Chief Civil Deputy, will be responsible for developing the necessary policy.

#### 2017-002 Lack of Internal Controls Over Receipts of Ticket Revenue and Allocation of Court Costs

*Corrective Action Plan:* The Sheriff's Office will develop a written policy to govern controls over tickets and also ticket revenue collection, including periodic review of allocations of court costs. The policy will ensure that a report is developed to detail all instances that tickets are modified and will appoint a supervisor to review these modifications on a weekly basis. Mr. Jeffrey Clement, Chief Civil Deputy, will be responsible for developing the necessary policy.

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

Honorable Michael Tregre, Sheriff  
St. John the Baptist Parish Sheriff's Office  
1801 W. Airline Hwy.  
Laplace, LA 70068  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by management of the St. John the Baptist Parish Sheriff's Office (the "Sheriff") and the Louisiana Legislative Auditor ("LLA") on the control and compliance ("C/C") areas identified in the LLA's Statewide Agreed-Upon Procedures ("SAUPs") for the fiscal period July 1, 2016 through 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 attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

### ***Written Policies and Procedures***

---

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

**We obtained the written policies and verified that they addressed the areas as follows:**

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

**No exceptions were noted.**

- b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase

orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

**No exceptions were noted.**

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

**No exceptions were noted.**

- d) *Receipts*, including receiving, recording, and preparing deposit.

**No receipt policies were noted except for a written policy pertaining to receipt of payment for traffic fines. See below for management's response.**

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

**No payroll/personnel policy was noted. See below for management's response.**

- 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.

**No exceptions were noted.**

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

**No exceptions were noted.**

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

**No travel and expense reimbursement policy was noted. See below for management's response.**

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

**No ethics policy was noted. See below for management's response.**

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

**No debt service policy was noted. See below for management's response.**

***Management's Response: The Sheriff's Office will develop written policies to govern controls over receipts other than traffic tickets, payroll/personnel, travel and expense reimbursements, ethics, and debt service. Mr. Jeffrey Clement, Chief Civil Deputy, will be responsible for developing the necessary policies. This management response applies to all policy-related results above.***

***Board (or Finance Committee, if applicable)***

---

2. Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

**Not applicable. The Sheriff's Office does not have a managing board.**

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
- 1) If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

**Not applicable.**

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

**Not applicable.**

***Bank Reconciliations***

---

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

**We obtained a listing of the bank accounts from management and obtained a representation from management that the listing is complete.**

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

**We selected all of the Sheriff's Office's bank accounts. For each bank account we verified the following:**

- a) Bank reconciliations have been prepared;

**No exceptions were noted.**

- 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

**There was no evidence noted that a member of management had reviewed the bank reconciliations selected in Step 4.**

- 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.

**There was no evidence that a member of management had researched outstanding reconciling items that were noted.**

***Management's Response: The Sheriff's Office's management has represented that it will develop a formal written policy to govern cash reconciliations. This policy will detail those responsible for the monthly reconciliations, as well as assign someone in management to review and sign off on the reconciliations on a monthly basis. Mr. Jeffrey Clement, Chief Civil Deputy, will be responsible for developing the necessary policy.***

### ***Collections***

---

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

**We obtained the listing of the collection locations and a representation from management that the listing was complete.**

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

a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

**We obtained written documentation and determined that each person collecting cash is (1) bonded, (2) not responsible for depositing cash in the bank, recording the related transaction, or reconciling the related bank account, (3) not required to share the same cash register or drawer with another employee.**

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

**We verified that the Sheriff's Office has a formal process and written documentation to reconcile cash collections to the general ledger by a person who is not responsible for cash collections.**

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's Office's 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.

**During our review of collections, we noted seven (7) receipts were not deposited within one day of collection ranging from two (2) to twenty (20) days.**

***Management's Response: The Sheriff's Office will develop a formal written policy to govern receipts and deposits. This policy will detail an effort to deposit in the bank receipts on a timely basis. Mr. Jeffrey Clement, Chief Civil Deputy, will be responsible for developing the necessary policy.***

- 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.

**Daily deposits were completely supported by documentation. No exceptions were noted.**

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

**No exceptions were noted.**

***Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)***

---

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

**We sorted and filtered the Sheriff's Office's general ledger to create a listing of entity disbursements and obtained a representation from management that the listing is complete.**

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

**We selected 25 disbursements, examined supporting documentation and verified the following:**

- 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.

**No exceptions were noted.**

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

**No exceptions were noted.**

- 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.

**No exceptions were noted.**

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

**No exceptions were noted.**

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

**No exceptions were noted.**

- 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 entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

**No exceptions were noted.**

- 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.

**No exceptions were noted.**

***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.

**We obtained a listing of all five credit, debit, fuel, and purchase cards and a representation from management that the listing is complete.**

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. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

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:

**We selected two (2) of the Sheriff's Office's five total credit cards, obtained the monthly statements, and selected the month with the largest dollar activity for each card.**

- 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.]

**No exceptions were noted.**

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

**No exceptions were noted.**

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

**We obtained supporting documentation for the statements selected in Step 15 and verified the following:**

- a) For each transaction, report whether the transaction is supported by:
- 1) An original itemized receipt (i.e., identifies precisely what was purchased)

**No exceptions were noted.**

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

**No exceptions were noted.**

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

**No exceptions were noted.**

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

**No exceptions were noted.**

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

**No exceptions were noted.**

### ***Travel and Expense Reimbursement***

---

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.

**We obtained the general ledger detail and sorted and filtered for travel reimbursements. We obtained a representation from management that the listing was complete.**

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

**The Sheriff's Office does not have a written policy; however, the office does reimburse the actual cost of travel and expenses. A comparison to the GSA rate is not possible.**

***Management's Response: The Sheriff's Office will develop a written policy related to travel and expense reimbursements. Mr. Jeffrey Clement, Chief Civil Deputy, will be responsible for developing the necessary policies.***

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 entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

**No exceptions were noted.**

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.

**No exceptions were noted.**

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

**No exceptions were noted.**

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

**No exceptions were noted.**

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

**No exceptions were noted.**

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

**No exceptions were noted.**

### **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.

**We obtained a listing of all contracts in effect during the year ended June 30, 2017. We obtained management's representation that the listing was complete.**

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 practitioner). Obtain the related contracts and paid invoices and:

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

**No exceptions were noted.**

- 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 entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

**No exceptions were noted.**

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

**No exceptions were noted.**

- 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.

**No exceptions were noted.**

- 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.

**No exceptions were noted.**

- 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).

**No exceptions were noted.**

### ***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. Randomly select five employees/officials, obtain their personnel files, and:

**We obtained a listing of employees and a representation from management that the listing was complete. We selected five employees and obtained their personnel files and performed the following:**

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

**We verified compensation was in accordance with the terms of the employment contracts for each of the five employees selected.**

**No exceptions were noted.**

- 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.

**For each employee selected in Step 22a, we obtained management's approval of the employee's pay rate. If the employee's pay rate changed during the year, we obtained specific approval of the change.**

**No exceptions were noted.**

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

**We selected one pay period in which leave was taken and performed the following:**

- 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.)

**No exceptions were noted.**

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

**No exceptions were noted.**

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

**No exceptions were noted.**

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.

**We obtained a list of terminations and a representation that the list was complete. We selected termination payments and verified that they were made in accordance with the employee's contract and were approved by management.**

**No exceptions were noted.**

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.

**We examined supporting documentation and verified that required payments of payroll taxes and retirement contributions as well as the required reporting forms were made in a timely manner.**

**No exceptions were noted.**

## ***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 entity maintained documentation to demonstrate that required ethics training was completed.

**We confirmed with management that the employee’s selected in Step 22 had taken the required ethics training.**

**No exceptions were noted.**

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

**Management represented that no ethics violations were reported to them during the fiscal period.**

## ***Debt Service***

---

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

**No exceptions were noted.**

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

**No exceptions were noted.**

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

**No exceptions were noted.**

**Other**

---

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 entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**Management represented that there were no misappropriations of public funds. In addition, management signed a management representation letter stating that there had been no misappropriation of public funds.**

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

**We noted that the Sheriff did not have the notice required by R.S. 24:523.1 posted on its website or on its premises.**

***Management's Response: The Sheriff's Office will post the notice on its website and on its premises per R.S. 24:523.1 as soon as possible. Mr. Jeffrey Clement, Chief Civil Deputy, will be responsible for making sure notices are on website and premises.***

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

**No exceptions were noted.**

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

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

*Carly Riggs & Ingram, L.L.C.*

December 21, 2017