

# **Tangipahoa Parish Sheriff**

## **FINANCIAL REPORT**

**JUNE 30, 2019**

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## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Daniel Edwards  
Tangipahoa Parish Sheriff  
Amite, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Tangipahoa Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Tangipahoa Parish Sheriff as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

**Required Supplementary Information**

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

**Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining and individual non-major governmental funds financial statements, schedule of changes in balances due to taxing bodies and others, sheriff's sworn statement, and schedule of compensation, benefits, and other payments to agency head are presented on page 40 through 46 are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements, the schedule of changes in balances due to taxing bodies and others, sheriff's sworn statement, and schedule of compensation, benefits, and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2019, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

*Diez, Dupuy & Ruiz*

Gonzales, Louisiana  
September 30, 2019

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

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

**FINANCIAL HIGHLIGHTS**

- The Sheriff's total net position increased \$804,415 over the course of this year's operations.
- During the year, the Sheriff's expenses were \$804,415 less than the \$21.3 million generated in ad valorem taxes, charges for services, operating and capital grants for governmental programs, and other general revenues.
- Expenses for the year were \$20.5 million, an increase of \$146,552 from prior year.
- At the close of the fiscal year, the Sheriff's governmental funds reported combined ending balances of \$9,238,084. Approximately 96% of this amount or \$8,861,320 is unassigned and available for use at the Sheriff's discretion.
- The remaining fund balance of \$376,764 includes \$169,265 in nonspendable funds and \$207,499 in restricted for other purposes.
- The general fund reported an increase in fund balance this fiscal year of \$1,017,533.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

**Figure A-1**

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

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

**Government-wide Statements**

The government-wide statements are designed to provide readers with a broad overview of the Sheriff's finances in a manner, which is similar to a private-sector business. They are presented on the accrual basis of accounting where revenues and expenditures are recognized on the date they occurred rather than on the date they were collected or paid. The statement of net position presents information on all of the Sheriff's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Sheriff is improving or deteriorating.

The Statement of Activities presents information which shows how the Sheriff's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

These two government-wide statements distinguish functions of the Sheriff, which are supported by taxes intergovernmental revenues, and charges for services (governmental activities).

- To assess the overall health of the Sheriff you need to consider additional non-financial factors such as changes in the Sheriff's property tax base and the growth of Tangipahoa Parish.

The government-wide financial statements of the Sheriff include:

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

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

The Sheriff has two kinds of funds:

- Governmental funds – The Sheriff's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Sheriff's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- Fiduciary funds – These funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, and litigants in suits, in the manner prescribed by law. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. We exclude activities from the Sheriff's government-wide financial statements because the Sheriff cannot use these assets to finance its operations. The fiduciary financial statement is presented on page 16.

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

**FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE**

**Net position.** The Sheriff's net position increased between fiscal years 2019 and 2018 by \$804,415. (See Table A-1.)

**Table A-1**  
**Sheriff's Net Position**

	Governmental Activities	
	<u>2019</u>	<u>2018</u>
Current and other assets	\$13,048,848	\$11,392,676
Capital assets, net of accumulated depreciation	2,595,985	3,463,217
<b>Total assets</b>	<b>15,644,833</b>	<b>14,855,893</b>
Deferred outflows of resources	3,126,073	2,252,777
<b>Total assets and deferred outflows of resources</b>	<b>18,770,906</b>	<b>17,108,670</b>
Current liabilities	611,237	808,751
Long-term liabilities	5,269,964	5,546,855
<b>Total liabilities</b>	<b>5,881,201</b>	<b>6,355,606</b>
Deferred inflows of resources	5,196,064	3,863,838
<b>Total liabilities and deferred inflows of resources</b>	<b>11,077,265</b>	<b>10,219,444</b>
Net position		
Net investment in capital assets	2,584,711	3,324,061
Restricted for other purposes	207,499	207,612
Unrestricted	4,901,431	3,357,553
<b>Total net position</b>	<b>\$7,693,641</b>	<b>\$6,889,226</b>

**Changes in net position.** The Sheriff's total revenues increased 4.5 percent. (See Table A-2.) Approximately 48 percent of the Sheriff's revenue comes from ad valorem tax collections from Tangipahoa Parish. An additional 33 percent of the Sheriff's revenue comes from charges for services including prisoner housing and commissions. The remaining 19 percent is comprised of grant income, miscellaneous fees and other intergovernmental revenue.

The total cost of all programs and services increased \$146,552 which is primarily attributed to the increase in capital outlay expenditures and salaries and benefits. The Sheriff's expenses cover all services performed by its office.

Net investment in capital assets represents 33.6 percent of net position. The Sheriff uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Sheriff's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

The unrestricted net position represents 63.7 percent, which is an increase of 46 percent from the prior year. These resources are available for the Sheriff's operations.

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

**Governmental Activities**

Revenues for the Sheriff's governmental activities increased by 4.5 percent to approximately \$21.3 million while total expenses increased 0.7 percent to approximately \$20.5 million.

**Table A-2**  
**Changes in Sheriff's Net Position**

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
<b>Revenues</b>		
Program revenues		
Charges for services	\$7,122,567	\$6,478,303
Operating grants and contributions	84,452	197,945
Capital grants and contributions	92,184	-
General revenues		
Taxes- Ad valorem	10,267,114	9,991,521
State revenue sharing	597,530	592,143
State supplemental pay	712,839	725,422
Investment earnings	125,867	145,363
Correctional reimbursements	296,051	108,670
Contract reimbursements	889,521	792,305
Self-generated fees	301,240	278,893
Seized assets	53,647	419,123
Other reimbursed expenses	193,705	183,806
Miscellaneous income	604,777	506,581
<b>Total revenues</b>	<b>21,341,494</b>	<b>20,420,075</b>
<b>Expenses</b>		
Public safety	20,532,273	20,371,904
Interest	4,806	18,623
<b>Total expenses</b>	<b>20,537,079</b>	<b>20,390,527</b>
<b>Increase in net position</b>	<b>804,415</b>	<b>29,550</b>
<b>Beginning net position</b>	<b>6,889,226</b>	<b>6,859,676</b>
<b>Ending net position</b>	<b>\$7,693,641</b>	<b>\$ 6,889,226</b>

**FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS**

As the Sheriff completed this year, its general fund reported a fund balance of \$9 million, an increase from last year of \$1,017,533. The fund balance is considered adequate for the Sheriff's current needs.

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

**General Budgetary Highlights**

Over the course of the year, the Sheriff made amendments to the general fund budget. These budget amendments reflect increases in revenues and decreases in expenditures from the original budget. Overall change in revenues resulted in an amendment of \$289,000 as follows:

- Intergovernmental net decrease of \$24,000.
- Taxes - Ad valorem decreased by \$40,000.
- Bonds and fines decreased by \$10,000.
- Civil fees increased by \$250,000.
- Prison income decreased \$100,000.
- Correctional reimbursements increased by \$207,000.
- Interest earned decreased by \$25,000.
- Seized assets decreased by \$85,000.
- Self-generated fees increased by \$41,000.
- Contracts reimbursements increased by \$90,000.
- Other reimbursed expenses decreased by \$15,000.

The budget was amended to reflect an overall decrease of anticipated expenditures by \$89,800, mainly in the areas of capital outlay, office expenditures, salaries and benefits, automobile, professional services, prison expenditures, grant expenditures, and telephone and utilities. Actual expenditures of approximately \$19.7 million were 2.8% less than the \$20.2 million reflected on the amended budget.

**CAPITAL ASSETS**

At the end of 2019, the Sheriff had invested \$2,595,985 in capital assets. (See Table A-3.)

**Table A-3**  
**Sheriff's Capital Assets**  
(Net of accumulated depreciation)

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
Land	\$ 105,343	\$ 105,343
Buildings	575,158	573,960
Data Processing Equipment	284,699	358,560
Law Enforcement Equipment	204,536	243,548
Office Equipment	28,226	56,367
Office Furniture	9,978	12,614
Other Machinery & Equipment	2,961	3,874
Vehicles	1,385,084	2,188,951
<b>Total</b>	<b>\$ 2,595,985</b>	<b>\$ 3,463,217</b>

Additional information on the Sheriff's capital assets is located in "Note 6" of the notes to the financial statements on page 26.

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

**CAPITAL ASSETS (continued)**

This year's major capital asset additions include:

- Sheriff vehicles costing approximately \$59,000
- Building improvements of \$112,823.
- Purchase of data processing equipment of approximately \$205,000.
- Purchase of law enforcement and office equipment of \$44,349.

This year's major capital asset deletions include:

- Various office equipment, data processing equipment, and law enforcement equipment totaling \$3,050, \$ 228,338, and \$277,977 of cost and accumulated depreciation; respectively.
- Various vehicles totaling \$326,283 with book value of \$19,663.

The amended budget for capital outlay for the 2018-2019 fiscal year totaled \$500,000.

**LONG-TERM DEBT**

At June 30, 2019, the Sheriff had the following long-term debt outstanding at year end.

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Capital lease obligations	\$ 11,274	\$ 139,156
Net pension liability	5,269,106	5,526,196
<b>Total</b>	<b><u>\$ 5,280,380</u></b>	<b><u>\$ 5,665,352</u></b>

Notes 7 & 8, page 27 through 32 provides additional information on long-term debt.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Sheriff is dependent on ad valorem taxes and prisoner housing reimbursement for 73% of its revenues. The economy is not expected to generate significant growth. The Sheriff's 2019-2020 budget reflects ad valorem revenue to remain at \$10.3 million, federal grants increasing by \$6,500 or 19%, prisoner income will remain at \$4.7 million and seized assets increasing by \$35,000, and self-generated revenues decreasing by \$41,000. Expenditures are expected to increase by \$183,800, which is mainly attributed to projected increases in capital outlay expenditures. Budgetary fund balance is estimated at approximately \$8.4 million as of June 30, 2020.

**CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT**

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

**TANGIPAOHA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

**ASSETS**

Cash and cash equivalents	\$ 8,535,282
Accounts receivable	4,048,198
Grant receivable	41,057
Due from other funds	234,056
Due from other governments	20,990
Prepaid expenses	169,265
Non-depreciable capital assets	105,343
Capital assets, net	2,490,642
Total assets	<u>15,644,833</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related	<u>3,126,073</u>
Total deferred outflows of resources	<u>3,126,073</u>
 Total assets and deferred outflows of resources	 <u>\$ 18,770,906</u>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION**

**LIABILITIES**

Accounts payable	\$ 133,615
Accrued salaries and wages	429,107
Due to funds	22,000
Due to other governments	16,099
Long-term liabilities:	
Due within one year	10,416
Due in more than one year	858
Net pension liability	5,269,106
Total liabilities	<u>5,881,201</u>

**DEFERRED INFLOWS OF RESOURCES**

Unavailable revenues	3,209,943
Pension related	<u>1,986,121</u>
Total deferred inflows of resources	<u>5,196,064</u>

**NET POSITION**

Net investment in capital assets	2,584,711
Restricted for other purposes	207,499
Unrestricted	4,901,431
Total net position	<u>7,693,641</u>

Total liabilities, deferred inflows of resources, and net position	<u>\$ 18,770,906</u>
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The accompanying notes are an integral part of this financial statement.

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Public safety	\$ 20,532,273	\$ 7,122,567	\$ 84,452	\$ 92,184	\$ (13,233,070)
Interest	4,806	-	-	-	(4,806)
Total governmental activities	<u>\$ 20,537,079</u>	<u>\$ 7,122,567</u>	<u>\$ 84,452</u>	<u>\$ 92,184</u>	<u>\$ (13,237,876)</u>

General revenues:

Taxes- Ad valorem	\$ 10,267,114
State revenue sharing	597,530
State supplemental pay	712,839
Investment earnings	125,867
Correctional reimbursements	296,051
Contract reimbursements	889,521
Seized assets	53,647
Self generated fees	301,240
Other reimbursed expenses	193,705
Non-employer contributions	560,971
Miscellaneous income	43,806
Total general revenues	<u>14,042,291</u>

Change in net position 804,415

Net position - beginning 6,889,226  
Net position - ending \$ 7,693,641

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

**TANGIPAOA PARISH SHERIFF  
AMITE, LOUISIANA**

**GOVERNMENTAL FUNDS BALANCE SHEET  
JUNE 30, 2019**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 8,326,773	\$ 208,509	\$ 8,535,282
Accounts receivable	4,048,198	-	4,048,198
Grants receivable	41,057	-	41,057
Due from other funds	234,056	-	234,056
Due from other governments	-	20,990	20,990
Prepaid expenses	169,265	-	169,265
<b>TOTAL ASSETS</b>	<b>\$ 12,819,349</b>	<b>\$ 229,499</b>	<b>\$ 13,048,848</b>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 133,615	\$ -	\$ 133,615
Accrued salaries and wages	429,107	-	429,107
Due to others	16,099	-	16,099
Due to other funds	-	22,000	22,000
<b>TOTAL LIABILITIES</b>	<b>578,821</b>	<b>22,000</b>	<b>600,821</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Unavailable revenues	3,209,943	-	3,209,943
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,209,943</b>	<b>-</b>	<b>3,209,943</b>
<b><u>FUND BALANCE</u></b>			
Nonspendable	169,265	-	169,265
Restricted for other purposes	-	207,499	207,499
Unassigned	8,861,320	-	8,861,320
<b>TOTAL FUND BALANCE</b>	<b>9,030,585</b>	<b>207,499</b>	<b>9,238,084</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 12,819,349</b>	<b>\$ 229,499</b>	<b>\$ 13,048,848</b>

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

**TANGIPAOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

Fund balances - total governmental funds		\$ 9,238,084
Amounts reported for governmental activities in the statement of net position is different because:		
Deferred outflows-pension related		3,126,073
Capital assets used in governmental activities are not current financial resources and, therefore are not reported in the governmental funds		
Capital assets, cost	10,968,209	
Capital assets, accumulated depreciation	<u>(8,372,224)</u>	2,595,985
Long term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds		
Capital lease payable		(11,274)
Net pension liability		(5,269,106)
Deferred inflows-pension related		<u>(1,986,121)</u>
Net position of governmental activities		<u>\$ 7,693,641</u>

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

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

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

	General Fund	Other Governmental Funds	Total
<b><u>REVENUES</u></b>			
Taxes - ad valorem	\$ 10,267,114	\$ -	\$ 10,267,114
Intergovernmental:			
Federal grants	135,666	-	135,666
State grants	-	40,970	40,970
State revenue sharing	597,530	-	597,530
State supplemental pay	712,839	-	712,839
Bonds and fines	662,259	-	662,259
Civil fees	1,543,241	-	1,543,241
Prison income	4,917,067	-	4,917,067
Correctional reimbursements	296,051	-	296,051
Contract reimbursements	889,521	-	889,521
Interest earned	124,248	1,619	125,867
Seized assets	(1,756)	55,403	53,647
Self generated fees	301,240	-	301,240
Other reimbursed expenses	193,705	-	193,705
Total Revenues	<u>20,638,725</u>	<u>97,992</u>	<u>20,736,717</u>
<b><u>EXPENDITURES</u></b>			
Public Safety			
Salaries	10,028,233	-	10,028,233
Payroll taxes	178,286	-	178,286
Retirement contributions	1,219,344	-	1,219,344
Employee benefits	2,431,889	-	2,431,889
Office expenditures	653,192	-	653,192
Insurance	752,345	-	752,345
Law enforcement	515,719	52,730	568,449
Automobile	758,154	-	758,154
Professional services	449,589	-	449,589
Telephone and utilities	385,980	-	385,980
Federal grant expenditures	5,162	-	5,162
Miscellaneous	171,161	-	171,161
Prison expenditures	1,586,304	-	1,586,304
DARE expenditures	-	40,970	40,970
Capital outlay	416,615	4,407	421,022
Debt service			
Interest	4,806	-	4,806
Principal	127,882	-	127,882
Total Expenditures	<u>19,684,661</u>	<u>98,107</u>	<u>19,782,768</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>954,064</u>	<u>(115)</u>	<u>953,949</u>
<b><u>OTHER FINANCING SOURCES</u></b>			
Proceeds from sale of capital assets	27,180	-	27,180
Insurance proceeds	36,289	-	36,289
Total other financing sources	<u>63,469</u>	<u>-</u>	<u>63,469</u>
Net change in fund balance	<u>1,017,533</u>	<u>(115)</u>	<u>1,017,418</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>8,013,052</u>	<u>207,614</u>	<u>8,220,666</u>
FUND BALANCE AT END OF YEAR	<u>\$ 9,030,585</u>	<u>\$ 207,499</u>	<u>\$ 9,238,084</u>

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

**TANGIPAOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

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

Net change in fund balances - total governmental funds	\$	1,017,418
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay	421,022	
Depreciation expense	(1,268,591)	
Loss on sale of assets	<u>(19,663)</u>	(867,232)

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

Payments on capital lease	<u>127,882</u>	127,882
Non-employer contributions to cost-sharing plan		560,971
Pension expense		<u>(34,624)</u>

Change in net position of governmental activities	\$	<u><u>804,415</u></u>
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The accompanying notes are an integral part of this financial statement.

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2019**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,655,383
Total Assets	<u>\$ 1,655,383</u>
<b>LIABILITIES</b>	
Due to general fund	\$ 212,056
Due to inmates	328,132
Due to others	1,115,195
Total Liabilities	<u>\$ 1,655,383</u>

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

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**INTRODUCTION**

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

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING**

**BASIS OF PRESENTATION**

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

**FUND FINANCIAL STATEMENTS:**

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

**General fund**

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

Additionally, the Sheriff reports the following fund types:

**Fiduciary funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. These funds are not reflected in the government-wide financial statement because resources of those funds are not available to support the Sheriff's programs. The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. REPORTING ENTITY**

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

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

**C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS**

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

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

Revenues:

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

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS (continued)**

Revenues (continued)

Intergovernmental revenues and fees, charges and commissions for services are recorded when the Sheriff is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

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

**D. BUDGET PRACTICES**

The proposed budget for the year ended June 30, 2019, was made available for public inspection and comments from taxpayers at the Sheriff's office on May 25, 2018. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 10 days prior to the public hearing, which was held at the Sheriff's office on June 14, 2018, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the Sheriff.

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

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

**E. CASH AND CASH EQUIVALENTS**

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

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. CAPITAL ASSETS**

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

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

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

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

**G. COMPENSATED ABSENCES**

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

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

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**G. COMPENSATED ABSENCES (continued)**

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

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

The Sheriff's leave policy does not provide for the vesting or compensation of leave. Due to this, no liability for accrued leave as been recorded at June 30, 2019.

**H. ESTIMATES**

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

**I. INTERFUND ACTIVITY**

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

**J. NET POSITION IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

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

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

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

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**K. FUND BALANCE OF FUND FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

**L. PENSION PLANS**

The Tangipahoa Parish Sheriff's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 8. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

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

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

**N. RECLASSIFICATIONS**

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

**2. AD VALOREM TAXES**

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

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2019, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 17.81 mills on property with assessed valuations totaling \$582,087,471.

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

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

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**3. CASH AND CASH EQUIVALENTS**

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

Governmental funds:	
Petty cash	\$ 2,650
Interest-bearing demand deposits	8,532,632
Total governmental funds	<u>\$ 8,535,282</u>
Fiduciary funds:	
Interest-bearing demand deposits	\$ 1,655,383
Total fiduciary funds	<u>\$ 1,655,383</u>

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

**4. CUSTODIAL CREDIT RISK**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Sheriff does not have a policy for custodial credit risk. At June 30, 2019, the Sheriff has \$10,884,886 in deposits (collected) bank balance. The deposits were secured from risk by federal deposit insurance and pledged securities. As of June 30, 2019, the Sheriff's bank balance was not exposed to custodial credit risk.

**5. RECEIVABLES**

The general fund receivables at June 30, 2019 are as follows:

<u>Class of Receivables</u>	
Fees, charges, and commissions	\$ 198,538
Prisoner housing and reimbursements	244,647
Due from Tangipahoa Parish government	3,605,013
	<u>\$ 4,048,198</u>

The Sheriff and the Tangipahoa Parish government are currently in dispute as to the fiscal responsibility for certain costs and maintenance expenses from the parish jail totaling \$3,209,943. The ultimate outcome is unknown at this time. This balance is recorded in unavailable revenues.

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**6. CAPITAL ASSETS**

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

	Balance 6/30/2018	Additions	Deletions	Balance 6/30/2019
Governmental Activities:				
Capital Assets Not Depreciated:				
Land and Land Improvements	\$ 105,343	\$ -	\$ -	\$ 105,343
Other Capital Assets:				
Buildings	676,733	112,823	-	789,556
Data Processing Equipment	2,510,141	204,785	228,338	2,486,588
Law Enforcement Equipment	1,577,428	44,349	277,977	1,343,800
Office Equipment	475,434	-	3,050	472,384
Office Furniture	20,725	-	-	20,725
Other Machinery & Equipment	7,755	-	-	7,755
Vehicles	6,009,276	59,065	326,283	5,742,058
	<u>11,382,835</u>	<u>421,022</u>	<u>835,648</u>	<u>10,968,209</u>
Less: Accumulated Depreciation				
Buildings	182,773	31,625	-	214,398
Data Processing Equipment	2,151,581	278,646	228,338	2,201,889
Law Enforcement Equipment	1,333,880	83,361	277,977	1,139,264
Office Equipment	419,067	28,141	3,050	444,158
Office Furniture	8,111	2,636	-	10,747
Other Machinery & Equipment	3,881	913	-	4,794
Vehicles	3,820,325	843,269	306,620	4,356,974
	<u>7,919,618</u>	<u>1,268,591</u>	<u>815,985</u>	<u>8,372,224</u>
Governmental Activities				
Capital Assets, net	<u>\$ 3,463,217</u>	<u>\$ (847,569)</u>	<u>\$ 19,663</u>	<u>\$ 2,595,985</u>

For the year ended June 30, 2019, depreciation expense was \$1,268,591.

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**7. LONG-TERM DEBT**

Summary of changes in long-term debt for the year ended June 30, 2019, is as follows:

	Balance 7/1/2018	Additions	Reductions	Balance 6/30/2019
<i>Governmental Activities:</i>				
Capital lease obligations	\$139,156	\$ -	\$127,882	\$11,274
Total	<u>\$139,156</u>	<u>\$ -</u>	<u>\$127,882</u>	<u>\$11,274</u>

The current portion for capital leases as of June 30, 2019 is \$10,416.

The Sheriff had eight capital lease obligations in 2019. The lease payments relating to the items have been capitalized and included in capital assets on the accompanying government-wide financial statements. The leased assets have a cost of \$696,134, and amortization expense, which is included with depreciation expense, recognized on the leases as of June 30, 2019 was \$137,715.

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

Year ending June 30 <sup>th</sup>	
2020	\$ 10,416
2021	<u>858</u>
Future minimum lease payments	11,274
Less: Amount representing interest	<u>(-)</u>
Present value of net minimum payments	<u>\$ 11,274</u>

**8. PENSION PLAN**

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

**Plan Description:**

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

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**8. PENSION PLAN (continued)**

Members who joined the system on or before December 31, 2011, are eligible for regular retirement benefits upon attaining 30 years of creditable service at any age, or 12 years of creditable service and aged 55 years is entitles to retirement benefit payable monthly for life, equal to 3.33 percent of his final average compensation for each year of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least 10 years of creditable service may retire at age 60. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service. Members who joined the system on January 1, 2012, who retires at or after age 62 with at least 12 years of creditable service, at or after age 60 with at least 20 years of creditable service, or at 55 with 30 years of creditable service is entitled to a retirement benefit payable monthly for life, equal to 3.00 percent. For members with 30 or more years of service; the accrual rate is 3.33 percent. The retirement allowance is equal to the benefit accrual times the member's final average compensation each year of creditable service. In any case, the retirement benefit cannot exceed 100 percent of their final average salary. Members with 20 or more years of service may retire with a reduced retirement at age 55. For members eligible on or before June 30, 2006, final average compensation is based on the average monthly earning during the highest consecutive 36 months (60 highest consecutive months for member employed between July 1, 2006 and July 1, 2013) or joined months if service was interrupted. The earnings to be considered for each 12-month period within the 36-month (or 60 month) period shall not exceed 125% of the preceding 12 months. For members joining after July 1, 2013, final compensation is based on the average monthly earnings during the highest 60 consecutive months and the earnings to be considered for each 12-month period within the 60 months shall not exceed 115% of the preceding 12-month period.

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

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

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**8. PENSION PLAN (continued)**

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

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

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

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2019, the actual employer contribution rate was 12.25%. In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2019.

Plan members are required by state statute to contribute 10.25 percent of their annual covered salary. The contribution requirements of plan members and the Tangipahoa Parish Sheriff are established and may be amended by state statute.

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**8. PENSION PLAN (continued)**

As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Tangipahoa Parish Sheriff's contributions to the System, for years ending June 30, 2019, 2018, and 2017, were \$1,148,762, \$1,205,818 and \$1,171,226; respectively.

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

At June 30, 2019, the Sheriff reported a liability of \$5,269,106 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Sheriff's proportion of the net pension liability was based on a projection of the Sheriff's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Sheriff's proportion was 1.374078%, which was an increase of 0.097901% from its proportion measured as of June 30, 2017.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differenced between expected and actual experience	\$ -	\$ (1,479,121)
Changes in assumptions	1,557,622	-
Net difference between projected and actual earning on pension plan investments	-	(312,791)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	419,689	(194,209)
Employer contributions subsequent to the measurement date	1,148,762	-
Total	<u>\$ 3,126,073</u>	<u>\$ (1,986,121)</u>

The Sheriff reported a total of \$1,148,762 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2018 which will be recognized as a reduction in net pension liability in the year ended June 30, 2019.

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

Year	
2020	\$ 267,540
2021	87,282
2022	(517,112)
2023	28,083
	<u>\$ (8,810)</u>

**TANGIPAOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**8. PENSION PLAN (continued)**

**Actuarial Assumptions**

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

<b>Valuation Date</b>	June 30, 2018
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining Service Lives</b>	6 years
<b>Investment Rate of Return</b>	7.250, net of investment expense
<b>Discount Rate</b>	7.25%
<b>Projected salary increases</b>	5.5% (2.60% inflation, 2.9% merit)
<b>Mortality</b>	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table for disabled annuitants
<b>Cost of Living Adjustments</b>	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2018 were as follows:

Asset Class	Target Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	62%	6.9%	4.3%
Fixed Income	23	3.2	0.7
Alternative Investments	15	4.5	0.6
Total	100%		5.7%
Inflation			2.5
Expected Arithmetic Return			8.2%

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**8. PENSION PLAN (continued)**

**Mortality Rate**

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSPRF			
Rates	6.25%	7.25%	8.25%
TPSO Share of NPL	\$11,924,691	\$5,269,106	(\$334,135)

**Amounts Payable to Pension Plans**

The Sheriff had a payable to the Retirement System at June 30, 2019 in the amount of \$43,528.

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

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

**TANGIPAOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**10. CHANGES IN AGENCY FUND BALANCES**

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

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Agency Funds:				
Civil Fund	\$ 685,136	\$ 7,475,567	\$ 7,542,627	\$ 618,076
Criminal Bond Fund	204,263	1,889,769	1,866,638	227,394
Tax Collector Trust Fund	254,327	58,273,620	58,180,459	347,488
Work Release Inmate	496,869	4,066,250	4,100,694	462,425
Total	<u>\$ 1,640,595</u>	<u>\$71,705,206</u>	<u>\$71,690,418</u>	<u>\$ 1,655,383</u>

**11. LITIGATION AND CLAIMS**

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

**12. DUE TO/FROM OTHER FUNDS**

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

	Due to Other Funds	Due from Other Funds
Governmental:		
General Fund	\$ -	\$ 234,056
Tri-Parish	22,000	-
Subtotal – Governmental funds	<u>22,000</u>	<u>234,056</u>
Fiduciary Funds:		
Work Release Inmate	109,341	-
Criminal	12,392	-
Tax Collector	26,572	-
Civil	63,751	-
Subtotal – Fiduciary funds	<u>212,056</u>	<u>-</u>
 TOTAL	 <u>\$ 234,056</u>	 <u>\$ 234,056</u>

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**13. EX-OFFICIO TAX COLLECTOR**

The amount of cash on hand at the end of the year was \$183,763.

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

<b><u>Taxing Authority</u></b>	<b><u>Taxes Collected</u></b>
Downtown Development, City of Hammond	\$ 301,679
Gravity Drainage District #1	4,665,227
Gravity Drainage District #4	206,124
Gravity Drainage District #5	68,717
Fire Protection District #1	574,557
Florida Parish Juvenile Justice	1,588,829
Independence Recreation District	164,819
LA Agriculture & Forestry Commission	16,432
Louisiana Tax Commission	23,675
Mosquito Abatement	2,321,818
Ponchatoula Recreation District	1,937,414
Tangipahoa Parish Assessor	2,698,094
Tangipahoa Parish Council	7,243,642
Tangipahoa Parish Library	3,356,752
Tangipahoa Parish School Board	7,184,468
Tangipahoa Parish Sheriff	10,289,720
Tangipahoa Parish Hospital	201,988
Hammond Recreation District #1	2,853,807
Tangipahoa Parish Rural Fire	5,530,664
Whitney Bank Corporate Trust	450,345
Total	<u>\$ 51,678,771</u>

**TANGIPAOHA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**13. EX-OFFICIO TAX COLLECTOR (continued)**

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

<b><u>Taxing Authority</u></b>	<b><u>Uncollected Taxes</u></b>
Downtown Development, City of Hammond	\$ 981
Gravity Drainage District #1	12,004
Gravity Drainage District #4	537
Gravity Drainage District #5	403
Fire Protection District #1	1,462
Florida Parish Juvenile Justice	4,064
Independence Recreation District	427
LA Agriculture & Forestry Commission	4
Louisiana Tax Commission	3
Mosquito Abatement	5,971
Ponchatoula Recreation District	3,465
Tangipahoa Parish Assessor	6,900
Tangipahoa Parish Council	15,871
Tangipahoa Parish Library	8,587
Tangipahoa Parish School Board	22,938
Tangipahoa Parish Sheriff	26,321
Tangipahoa Parish Hospital	535
Hammond Recreation District #1	9,402
Tangipahoa Parish Rural Fire	9,742
Whitney Corporate Trust	1,184
Total	<u>\$ 130,801</u>

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

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

<b><u>Taxing Authority</u></b>	<b><u>Tangipahoa Parish Council</u></b>	<b><u>Tangipahoa Parish Tourist Commission</u></b>	<b><u>Commission to Tangipahoa Parish Sheriff</u></b>	<b><u>Final Distribution</u></b>
Occupational License	\$ 962,070	\$ -	\$ 169,777	\$ 1,131,847
Occupancy Tax (Hotel/Motel)	-	845,388	44,495	889,883
Totals	<u>\$ 962,070</u>	<u>\$ 845,388</u>	<u>\$ 214,272</u>	<u>\$ 2,021,730</u>

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

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**14. TAX ABATEMENTS**

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

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

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

	<u>Total</u>
Tax Abatement Program	
Industrial Tax Exemption Program	<u>\$ 162,552</u>
	<u>\$ 162,552</u>

**15. SUBSEQUENT EVENTS**

The Sheriff's office has evaluated subsequent events through the date that the financial statements were available to be issued, September 30, 2019, and determined the following events occurred that required disclosure. No events after September 30, 2019 have been considered for disclosure in the notes to the financial statement.

**REQUIRED**  
**SUPPLEMENTARY INFORMATION – PART III**

**TANGIPAOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual
<b><u>REVENUES</u></b>			
Taxes- Ad valorem	\$ 10,300,000	\$ 10,260,000	\$ 10,267,114
Intergovernmental revenues:			
Federal grants	50,000	33,500	135,666
State grants	85,000	85,000	-
State revenue sharing	600,000	597,500	597,530
State supplemental pay	720,000	715,000	712,839
Bonds and fines	700,000	690,000	662,259
Civil fees	1,250,000	1,500,000	1,543,241
Prison income	4,800,000	4,700,000	4,917,067
Correctional reimbursements	108,000	315,000	296,051
Contract reimbursements	800,000	890,000	889,521
Use of money and property:			
Interest earned	115,000	90,000	124,248
Seized assets	100,000	15,000	(1,756)
Self generated fees	275,000	316,000	301,240
Other reimbursed expenses	200,000	185,000	193,705
Total Revenues	<u>20,103,000</u>	<u>20,392,000</u>	<u>20,638,725</u>
<b><u>EXPENDITURES</u></b>			
Public Safety			
Salaries	10,000,000	10,200,000	10,028,233
Payroll taxes	189,000	189,000	178,286
Retirement contributions	1,500,000	1,500,000	1,219,344
Employee benefits	2,350,000	2,250,000	2,431,889
Office expenditures	450,000	630,000	653,192
Insurance	975,000	1,100,000	752,345
Law enforcement	586,000	535,000	515,719
Automobile	800,000	760,000	758,154
Professional services	400,000	430,000	449,589
Telephone and utilities	430,000	400,000	385,980
Grant federal expenditures	50,000	3,700	5,162
Miscellaneous	2,500	3,500	171,161
Prison expenditures	1,650,000	1,600,000	1,586,304
DARE expenditures	10,000	-	-
Capital outlay	825,000	500,000	416,615
Debt service			
Interest	97,500	124,000	4,806
Capital lease expense	5,000	5,000	127,882
Total Expenditures	<u>20,320,000</u>	<u>20,230,200</u>	<u>19,684,661</u>
EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	<u>(217,000)</u>	<u>161,800</u>	<u>954,064</u>
<b><u>OTHER FINANCING SOURCES</u></b>			
Sales of capital assets	25,000	-	27,180
Proceeds from capital leases	325,000	-	-
Insurance proceeds	-	-	36,289
Total other financing sources	<u>350,000</u>	<u>-</u>	<u>63,469</u>
Net change in fund balance	<u>133,000</u>	<u>161,800</u>	<u>1,017,533</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>8,013,052</u>	<u>8,013,052</u>	<u>8,013,052</u>
FUND BALANCE AT END OF YEAR	<u>\$ 8,146,052</u>	<u>\$ 8,174,852</u>	<u>\$ 9,030,585</u>

**TANGIPAOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**SCHEDULE OF THE SHERIFF'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**FOR THE YEAR ENDED JUNE 30, 2019 (\*)**

<u>Pension Plan</u>	<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
<b>Louisiana Sheriff's Pension and Relief Fund</b>						
	2019	1.3741%	\$ 5,269,106	\$ 9,457,397	55.7141%	90.41%
	2018	1.2762%	\$ 5,526,196	\$ 8,839,432	62.5175%	88.49%
	2017	1.2585%	\$ 7,987,434	\$ 8,568,444	93.2192%	82.10%
	2016	1.2606%	\$ 5,619,227	\$ 8,358,101	67.2309%	86.61%
	2015	1.3022%	\$ 5,156,727	\$ 8,293,566	62.1774%	87.34%

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

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

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**SCHEDULE OF TANGIPAHOA PARISH SHERIFF'S CONTRIBUTIONS**

**FOR THE YEAR ENDED JUNE 30, 2019**

<u>Pension Plan</u>	<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as of % of Covered Payroll</u>
<b>Louisiana Sheriff's Pension and Relief Fund</b>						
	2019	\$ 1,148,762	\$ 1,148,762	\$ -	\$ 9,377,646	12.25%
	2018	\$ 1,205,818	\$ 1,205,818	\$ -	\$ 9,457,397	12.75%
	2017	\$ 1,171,226	\$ 1,171,226	\$ -	\$ 8,839,432	13.25%
	2016	\$ 1,178,161	\$ 1,178,161	\$ -	\$ 8,568,444	13.75%
	2015	\$ 1,191,029	\$ 1,191,029	\$ -	\$ 8,358,101	14.25%

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

Notes to the Net Pension Liability Required Supplementary Information

Changes in Benefit Terms:

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

Changes in Assumptions:

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

**OTHER SUPPLEMENTARY INFORMATION – PART IV**

**TANGIPAHOA PARISH SHERIFF**

**AMITE, LOUISIANA**

**NON-MAJOR GOVERNMENTAL FUNDS DESCRIPTIONS**

**SPECIAL REVENUE FUNDS**

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

**D.A.R.E. FUND**

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

**TRI-PARISH FUND**

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

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

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

	<u>DARE Fund</u>	<u>Tri-Parish Fund</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 7,152	\$ 201,357	\$ 208,509
Due from other governments	<u>-</u>	<u>20,990</u>	<u>20,990</u>
 Total assets	 <u>\$ 7,152</u>	 <u>\$ 222,347</u>	 <u>\$ 229,499</u>
 <b><u>LIABILITIES</u></b>			
Due to other funds	\$ -	\$ 22,000	\$ 22,000
Total liabilities	<u>-</u>	<u>22,000</u>	<u>22,000</u>
 <b><u>FUND BALANCE</u></b>			
Restricted for other purposes	<u>7,152</u>	<u>200,347</u>	<u>207,499</u>
Total fund balance	<u>7,152</u>	<u>200,347</u>	<u>207,499</u>
 Total liabilities and fund balance	 <u>\$ 7,152</u>	 <u>\$ 222,347</u>	 <u>\$ 229,499</u>

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

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

	<u>DARE Fund</u>	<u>Tri-Parish Fund</u>	<u>Total</u>
<b><u>REVENUES</u></b>			
Intergovernmental			
State grants	\$ 40,970	\$ -	\$ 40,970
Use of money and property:			
Interest	105	1,514	1,619
Seized assets	-	55,403	55,403
Total Revenues	<u>41,075</u>	<u>56,917</u>	<u>97,992</u>
<b><u>EXPENDITURES</u></b>			
Public safety:			
Law enforcement	-	52,730	52,730
DARE expenditures	40,970	-	40,970
Capital outlay	-	4,407	4,407
Total Expenditures	<u>40,970</u>	<u>57,137</u>	<u>98,107</u>
Excess of Revenues over (under) Expenditures	105	(220)	(115)
Fund Balance at beginning of year	<u>7,047</u>	<u>200,567</u>	<u>207,614</u>
Fund Balance at end of year	<u>\$ 7,152</u>	<u>\$ 200,347</u>	<u>\$ 207,499</u>

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**GENERAL DESCRIPTIONS**  
**AGENCY FUNDS**  
**JUNE 30, 2019**

**CIVIL BOND FUND**

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

**CRIMINAL BOND FUND**

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

**TAX COLLECTOR FUND**

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

**WORK RELEASE INMATE FUND**

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

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN BALANCES DUE TO TAXING BODIES AND OTHERS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Civil Bond</u>	<u>Criminal Bond</u>	<u>Tax Collector</u>	<u>Work Release Inmate</u>	<u>Total</u>
<b><u>BALANCES AT BEGINNING OF YEAR</u></b>	\$ 685,136	\$ 204,263	\$ 254,327	\$ 496,869	\$ 1,640,595
<b><u>ADDITIONS</u></b>					
Deposits:					
Sheriff's sales and garnishments	7,475,567	-	-	-	7,475,567
Fines and costs	-	1,889,769	-	-	1,889,769
Receipts from inmates	-	-	-	4,066,250	4,066,250
Taxes, fees, etc. paid to tax collector	-	-	58,273,620	-	58,273,620
Total additions	<u>7,475,567</u>	<u>1,889,769</u>	<u>58,273,620</u>	<u>4,066,250</u>	<u>71,705,206</u>
<b><u>REDUCTIONS</u></b>					
Taxes, fees, etc. distributed to taxing bodies and others	-	-	58,180,459	-	58,180,459
Distribution to inmates	-	-	-	4,100,694	4,100,694
Deposits settled	7,542,627	1,866,638	-	-	9,409,265
Total reductions	<u>7,542,627</u>	<u>1,866,638</u>	<u>58,180,459</u>	<u>4,100,694</u>	<u>71,690,418</u>
<b><u>BALANCES AT END OF YEAR</u></b>	<u>\$ 618,076</u>	<u>\$ 227,394</u>	<u>\$ 347,488</u>	<u>\$ 462,425</u>	<u>\$ 1,655,383</u>

STATE OF LOUISIANA, PARISH OF TANGIPAHOA

AFIDAVIT

Daniel H. Edwards, Sheriff of Tangipahoa Parish

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

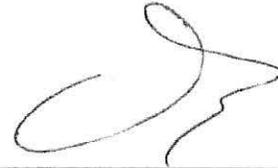
The following information is true and correct:

\$377,247.53 is the amount of cash on hand and in the tax collector account on June 30, 2019.

He further deposed and said:

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

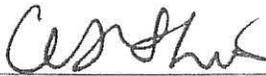
All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.



Signature

Sheriff of Tangipahoa Parish

SWORN to and subscribed before me, Notary, this 13<sup>th</sup> day of August, 2019, in my office in Hammond, Louisiana.



(Signature)

Celeste H. Shields (Print), # 91180/33369

expires at death. (Commission)

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Agency Head Name/Title: Daniel Edwards, Sheriff

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 160,338
Benefits-insurance (health)	7,674
Benefits-retirement	22,827
Deferred compensation	12,375
Benefits-other (dental)	125
Benefits-other (GTL)	2,394
Dues	14,270
Per diem	711
Reimbursements	2,898
Travel	854
Registration fees	2,185
Conference travel	1,644
	<hr/>
	\$ 228,295
	<hr/> <hr/>



DIEZ, DUPUY & RUIZ, LLC

**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**

To the Honorable Daniel Edwards  
Tangipahoa Parish Sheriff  
Amite, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Tangipahoa Parish Sheriff, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Tangipahoa Parish Sheriff's Office basic financial statements, and have issued our report thereon dated September 30, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Tangipahoa Parish Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tangipahoa Parish Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of Tangipahoa Parish Sheriff's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Tangipahoa Parish Sheriff's financial statements are free 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 test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

Diez, Dupuy & Ruiz

Gonzales, Louisiana  
September 30, 2019

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**JUNE 30, 2019**

A. SUMMARY OF AUDITORS' RESULTS

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

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None noted

C. FINDINGS – COMPLIANCE

None noted

**TANGIPAHOA PARISH SHERIFF**  
**AMITE, LOUISIANA**

**SCHEDULE OF PRIOR YEAR FINDINGS**  
**JUNE 30, 2019**

A. FINDINGS – FINANCIAL STATEMENT AUDIT

None noted

B. FINDINGS- COMPLIANCE

None noted

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**TANGIPAHOA PARISH SHERIFF**  
**AGREED-UPON PROCEDURES REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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

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

We have performed the procedures enumerated below, which were agreed to by the Tangipahoa Parish Sheriff (the Sheriff) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Sheriff's management is responsible for those C/C areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The procedures and associated findings are as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

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

*The disbursement matched the related original invoice.*

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

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

*Ethics*

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11. 5 employees/officials from the "Payroll and Personnel" test of controls in the audit file were randomly selected to obtain ethics documentation from management, and:

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*Diez, Dupuy & Ruiz*

Gonzales, Louisiana  
September 30, 2019