



“NATIONALLY ACCREDITED”

LAFOURCHE PARISH SHERIFF

THIBODAUX, LOUISIANA

Annual Financial Report
Year Ended June 30, 2019

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LAFOURCHE PARISH SHERIFF

Thibodaux, Louisiana

Annual Financial Statements
As of and for the Year Ended June 30, 2019

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Independent Auditor's Report

Honorable Craig Webre
Lafourche Parish Sheriff
Thibodaux, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining fund information of the Lafourche Parish Sheriff (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.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the remaining fund information of the Lafourche Parish Sheriff's Office, 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 budgetary comparison information, changes in Total OPEB Liability and Related Ratios, Schedule of the Sheriff's Proportionate Share of the Net Pension Liability, and the Schedule of Lafourche Parish Sheriff's Pension Contributions on pages 45 through 48 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. The prior year comparative information included on the required supplementary information has been derived from the Lafourche Parish Sheriff's 2018 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The Lafourche Parish Sheriff has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational,

economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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 accompanying information listed as "Other Information" (pages 49 through 57) in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.



Thibodaux, Louisiana
December 30, 2019

Financial Statements

**Government-Wide
Financial Statements (GWFS)**

LAFOURCHE PARISH SHERIFF
Thibodaux, Louisiana

Statement of Net Position
Governmental Activities
June 30, 2019

ASSETS

Cash and cash equivalents	\$ 3,958,549
Investments	6,880,840
Receivables	199,311
Due from other governments	2,864,499
Land	1,475,867
Capital assets, net	<u>53,452,389</u>
Total assets	<u>68,831,455</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred amount on post-employment benefit plan	1,351,812
Deferred amount on pension	<u>5,886,231</u>
Total deferred outflows of resources	<u>7,238,043</u>
Total assets and deferred outflows of resources	<u><u>76,069,498</u></u>

LIABILITIES

Accounts payable & accrued expenses	1,933,188
Salaries and benefits payable	1,074,843
Due to taxing bodies and others	48,759
Accrued interest payable	224,286
Due to inmates	421,175
Long-term liabilities:	
Due within one year	1,320,000
Due after one year	39,478,975
Postemployment benefit obligation payable	17,369,400
Net pension liability	<u>9,647,339</u>
Total liabilities	<u>71,517,965</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	<u>4,185,536</u>
Total deferred inflows of resources	<u>4,185,536</u>

NET POSITION

Net Investment in capital assets	15,449,281
Restricted - debt service	2,685,981
Unrestricted (deficit)	<u>(17,769,265)</u>
Total net position	365,997
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 76,069,498</u></u>

The accompanying notes are an integral part of the basic financial statements.

LAFOURCHE PARISH SHERIFF
Thibodaux, Louisiana

Statement of Activities
For the Year Ended June 30, 2019

Activities	Expenses	Program Revenues		Net Expense and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Public safety	\$ 33,980,482	\$ 7,723,650	\$ 437,294	\$ (25,819,538)
Interest on short-term debt	18,592			(18,592)
Interest on long-term debt	1,351,132	-	-	(1,351,132)
Total	\$ 35,350,206	\$ 7,723,650	\$ 437,294	\$ (27,189,261)
General revenues:				
Property taxes				9,955,874
Sales and use taxes				11,852,741
State revenue sharing				187,387
Supplemental pay				1,406,980
Other intergovernmental				2,663,993
Nonemployee pension contributions				1,027,097
Interest earnings				190,924
Other income				341,779
Total general revenues				27,626,775
Change in net assets				437,514
Net position - beginning				(71,517)
Net position - ending				\$ 365,997

The accompanying notes are an integral part of the basic financial statements.

Fund Financial Statements (FFS)

Major Fund's Description

General Fund

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Capital Projects Fund – Detention Center

To account for the planning, site acquisition, and construction of the Lafourche Parish Detention Center facility which will be located on Tiger Drive in Thibodaux, Louisiana.

Non-Major Funds' Description

Capital Projects Fund – Administrative Building

To account for capital improvements that include construction and acquisition of improvements to the buildings and grounds of the Law Enforcement building located Lynne Ave in Thibodaux, Louisiana.

Debt Service Fund

To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs associated with the financing for the renovation of the Law Enforcement building located on Lynn Avenue in Thibodaux, Louisiana. General obligation bonds, series 2012 provide funding for the projects.

LAFOURCHE PARISH SHERIFF
Thibodaux, Louisiana

Balance Sheet - Governmental Funds
June 30, 2019

	General Fund	Capital Projects Fund - Detention Center (Major)	Capital Projects Fund - Administration Building (Non-major)	Debt Service Fund (Non-major)	Total
ASSETS					
Cash and cash equivalents	\$ 3,895,938	\$ 27,424	\$ 5,122	\$ 30,065	\$ 3,958,549
Investments	2,056,894	4,823,946			6,880,840
Receivables	199,311	-			199,311
Due from other governments	2,615,058	249,440			2,864,499
TOTAL ASSETS	<u>8,767,201</u>	<u>5,100,811</u>	<u>5,122</u>	<u>30,065</u>	<u>13,903,199</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued expenses	1,922,452	10,735			1,933,188
Salaries and related expenses payable	1,074,843				1,074,843
Due to taxing bodies and others	48,759				48,759
Due to inmates	421,175				421,175
Due to (from) other governmental funds	(426)		326	100	-
Total Liabilities	<u>3,466,804</u>	<u>10,735</u>	<u>326</u>	<u>100</u>	<u>3,477,965</u>
Equity and Other Credits:					
Fund balances:					
Committed for Capital Projects		2,805,550	4,796		2,810,347
Committed for SELA Crime Lab	12,274				12,274
Committed for debt service	341,528	2,284,525		29,964	2,656,017
Assigned for drug interdiction	229,085				229,085
Assigned for insurance	1,500,000				1,500,000
Assigned for DARE	14,620				14,620
Assigned for disasters	1,500,000				1,500,000
Unassigned	1,702,891				1,702,891
Total Equity and Other Credits	<u>5,300,398</u>	<u>5,090,075</u>	<u>4,796</u>	<u>29,964</u>	<u>10,425,234</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,767,201</u>	<u>\$ 5,100,811</u>	<u>\$ 5,122</u>	<u>\$ 30,064</u>	<u>\$ 13,903,199</u>

The accompanying notes are an integral part of the basic financial statements

LAFOURCHE PARISH SHERIFF
Thibodaux, Louisiana

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019**

Total fund balances for governmental funds at June 30, 2019 \$ 10,425,234

Total net position reported for governmental activities in the statement of net positions is different because:

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

Land	\$ 1,475,867	
Construction in progress on capital assets	49,909,178	
Buildings and improvements, net of \$2,321,737 accumulated depreciation	1,807,793	
Equipment and furniture, net of \$3,934,139 accumulated depreciation	1,061,241	
Vehicles and watercraft, net of \$5,778,131 accumulated depreciation	<u>674,178</u>	54,928,257

Certain long-term assets are not reported in the fund financial statements because they are not available to pay current-period expenditures, but they are reported as assets in the statement of net position.

Deferred outflows - pension related	6,229,812	
Deferred outflows - OPEB related	<u>1,008,231</u>	7,238,043

Long-term liabilities are not reported as fund liabilities because they are not due and payable in the current period, but they are presented as liabilities in the statement of net position. Those liabilities consist of:

Accrued interest payable	(224,286)	
Bonds and Certificates of Indebtedness payable	(40,785,000)	
Other post-employment benefits payable	(17,369,400)	
Net pension liability	(9,647,339)	
Deferred inflows - pension related	(4,185,536)	
Compensated absences payable	<u>(13,975)</u>	<u>(72,225,536)</u>

Total net position of governmental activities at June 30, 2019 \$ 365,997

The accompanying notes are an integral part of the basic financial statements.

LAFOURCHE PARISH SHERIFF
Thibodaux, Louisiana

**Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2019**

	General Fund	Capital Projects Fund - Detention Center (Major)	Capital Projects Fund - Administration Building (Non-major)	Debt Service Fund (Non-major)	Total
Revenues:					
Ad valorem taxes	\$ 9,955,874				\$ 9,955,874
Sales and use taxes	8,877,189	\$ 2,975,552			11,852,741
Intergovernmental	4,695,654				4,695,654
Charges for services	7,589,891				7,589,891
Forfeitures and restitution	133,760				133,760
Interest income	60,120	130,804			190,924
Other	341,779				341,779
Total revenues	<u>31,654,267</u>	<u>3,106,356</u>	<u>-</u>	<u>-</u>	<u>34,760,623</u>
Expenditures:					
Public safety:					
Salaries and related benefits	23,812,960				23,812,960
Operating & maintenance expenses	4,843,656				4,843,656
Law enforcement expenditures	3,676,291				3,676,291
Debt service:					-
Principal retirement	120,000			\$ 1,290,000	1,410,000
Interest	22,564			1,352,121	1,374,685
Capital outlay	42,908	9,377,103			9,420,011
Other		354,470		3,175	357,645
Total expenditures	<u>32,518,378</u>	<u>9,731,573</u>	<u>-</u>	<u>2,645,296</u>	<u>44,895,247</u>
Excess (Deficiency) of revenues over expenditures	(864,111)	(6,625,217)	-	(2,645,296)	(10,134,624)
Other Financing Sources (Uses):					
Transfers in	-			2,651,482	2,651,482
Transfers out	(368,258)	(2,283,224)		-	(2,651,482)
Total other financing sources (uses)	<u>(368,258)</u>	<u>(2,283,224)</u>	<u>-</u>	<u>2,651,482</u>	<u>-</u>
Excess (Deficiency) Of Revenues and Other Sources Over Expenditures and Other Uses	(1,232,369)	(8,908,441)	-	6,186	(10,134,624)
Fund Balance, beginning	<u>6,532,767</u>	<u>13,998,516</u>	<u>\$ 4,796</u>	<u>23,779</u>	<u>20,559,858</u>
Fund Balance, ending	<u>\$ 5,300,398</u>	<u>\$ 5,090,075</u>	<u>\$ 4,796</u>	<u>\$ 29,965</u>	<u>\$ 10,425,234</u>

The accompanying notes are an integral part of the basic financial statements.

LAFOURCHE PARISH SHERIFF
Thibodaux, 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**

Total net changes in fund balances at June 30, 2019 per Statement of Revenues, Expenditures and Changes in Fund Balances			\$ (10,134,624)
Total change in net position reported for governmental activities in the Statement of Activities is different because:			
Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the statement of activities.			
Non-employer pension contributions to cost-sharing plan			1,027,097.00
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 9,420,011		
Basis of capital assets removed from service	(9,821)		
Depreciation expense for the year ending June 30, 2019	<u>(530,075)</u>	8,880,114	
Debt principal retirement not considered an expense in the Statement of Activities.			1,410,000
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on an accrual basis.			4,962
Generally expenditures recognized in the fund financial statements are limited to only those that use current financial resources but expenses and liability are reported in the statement of activities when they are incurred.			
Pension expense	20,370		
Post-employment benefits	(756,430)		
Accrued compensated absences	<u>(13,975)</u>	<u>(750,035)</u>	
Total changes in net position at June 30, 2019 per Statement of Activities			<u>\$ 437,514</u>

The accompanying notes are an integral part of the basic financial statements.

LAFOURCHE PARISH SHERIFF
Thibodaux, Louisiana

Statement of Fiduciary Net Position
Agency Funds
June 30, 2019

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 2,741,825
Due from general fund	29,553
Due from others	<u>117,692</u>
Total Assets	<u><u>2,889,070</u></u>
 LIABILITIES	
Due to general fund	78,469
Due to taxing bodies and others	<u>2,810,601</u>
Total liabilities	<u><u>\$ 2,889,070</u></u>

The accompanying notes are an integral part of the basic financial statements.

Notes to the Financial Statements

LAFOURCHE PARISH SHERIFF
Thibodaux, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

INTRODUCTION

As provided by Article V, Section 27, of the Louisiana Constitution of 1974, the Lafourche Parish Sheriff (The Sheriff) serves a four-year term as the Chief Executive Officer of the Law Enforcement District and ex-officio tax collector of 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, state revenue sharing funds, fines, and bond forfeitures imposed by the District Court.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Sheriff have been prepared in conformity with generally accepted accounting principles (GAAP) 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. The accounting and reporting framework and the more significant accounting policies are discussed below. The accompanying basic financial statements have been prepared in conformity with the requirements of the industry audit guide, *Audits of State and Local Governmental Units*.

A. REPORTING ENTITY

Under Governmental Accounting and Financial Standards, the financial reporting entity consists of the primary government and its component units. As the governing authority of the parish, the Lafourche Parish Council is

LAFOURCHE PARISH SHERIFF
Thibodaux, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

considered to be the primary government for financial reporting purposes for the Parish of Lafourche.

Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include:

1. Appointing a voting majority of an organization's governing body.
 - a. The ability of the council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or imposes specific financial burdens on the council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Management has determined that the Lafourche Parish Sheriff is not considered a component unit of the parish if applying the criteria above. Instead the Sheriff is considered to be a "standalone" special purpose government. This decision is based on the following:

1. The Sheriff enjoys a separate legal standing from the Parish Council and other governmental entities. The Sheriff has the ability to sue or be sued in its own name.
2. The Parish Council does not appoint the Sheriff. The Sheriff's position was created by Article V, Section 27 of the Louisiana Constitution of 1974. The Sheriff is a separately elected official elected by the citizenry in a general, popular election.
3. The Parish Council does not have the ability to impose its will on the Sheriff. The Parish Council cannot remove the Sheriff from office. The Sheriff adopts its own budget separate and apart from the Parish Council and other local governmental entities. The day-to-day operations of the Sheriff's office are under the responsibility and control of no one other than the Sheriff.
4. The Sheriff does not provide a significant financial benefit or burden to the Parish Council. While the Parish Council does provide the Sheriff with a certain amount of its office space at no cost and pays a certain

LAFOURCHE PARISH SHERIFF
Thibodaux, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

amount of operating expenses on behalf of the Sheriff, these transactions are not considered significant enough to make the Parish Council financially accountable for the Sheriff's Office.

5. The Sheriff is not fiscally dependent on the Parish. The primary sources of funding for the Sheriff include ad valorem taxes, sales tax revenue, and commissions earned from collecting taxes, licenses and fees on behalf of other governmental entities. The Parish Council does not have the authority to approve or modify the Sheriff's budget. The Law Enforcement District, of which the Sheriff serves as Chief Executive Officer, can levy taxes and issue debt without approval of the Parish Council.

Therefore, the accompanying financial statements of the Sheriff are separate and apart from the Parish Council. The financial statements only include all funds and account groups, as well as component units, of the Sheriff. Additionally, the collections and disbursements handled by the Sheriff in his capacity as the Ex-Officio Tax Collector of Lafourche Parish are reported within the Sheriff's financial report as an Agency Fund.

B. BASIS OF PRESENTATION

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these statements reflects 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 or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions 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 and charges paid by recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

LAFOURCHE PARISH SHERIFF
Thibodaux, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

Fund Financial Statements (FFS)

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

The various funds of the Sheriff are all classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Sheriff or meets the following criteria:

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

The funds of the Sheriff are described below:

Governmental Funds –

General Fund - The General Fund, as provided by Louisiana Revised Statute (R.S.) 33:1422, is the principal fund of the sheriff's office and accounts for the operations of the sheriff's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state or federal laws according to the Sheriff's policy.

Capital Projects Funds – These funds account for the acquisition, planning, construction and/or renovation of buildings and improvements.

Debt Service Fund – This fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs associated with the financing for the renovation of the Law Enforcement building located on Lynn Avenue in Thibodaux, Louisiana as well as for the Jail construction located on Tiger Drive in Thibodaux, Louisiana. General obligation bonds, series 2012 provide funding for the

LAFOURCHE PARISH SHERIFF
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Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

Law Enforcement building project. 2016 Bonds were issued which provide funding for the new Jail construction.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category by the sheriff are agency funds. The agency funds account for assets held by the sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

C. MEASUREMENT FOCUS / BASIS OF ACCOUNTING

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance at the end of the period.
- b. The government-wide financial statements utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

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Basis of Accounting

In the government-wide statement of net position and activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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 and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

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

Federal and state grants are recorded when the expenditures have been incurred or when grant requirements have otherwise been met.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned.

Expenditures

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

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Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff.

D. BUDGET PRACTICES

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

1. The Chief Financial Officer prepares a proposed budget for the general and special revenue funds and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts shown are as originally adopted and as amended. Budget amendments are passed on an as-needed basis, and a balanced budget is required.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those other investments with original maturities of 90 days or less. They are stated at cost, which approximates market.

F. INVESTMENTS

Under state law, the Sheriff may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under

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Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. In accordance with GASB Codification Section 150, investments meeting the criteria in the Statement are stated at fair value, which is quoted market prices.

G. INVENTORY

Physical inventories consist of expendable supplies held for consumption. Because these inventories are expended within one operating cycle they are recorded as expenditures when purchased and are not recorded as an inventory asset.

H. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$5,000 or more and with an initial useful life that extends beyond one year are capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. A salvage value of 10% of the cost is recorded. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Buildings	20 years
Leasehold improvements	20 years
Office equipment & furniture	5 years
Law enforcement weapons & equipment	5 years
Vehicles	5 years

I. COMPENSATED ABSENCES

Employees of the Sheriff earn 3.08 hours per fourteen day pay period, up to maximum eighty hours per year of sick leave. Employees are permitted to take a maximum of eighty hours of sick leave per year for personal illness. Accrued and unused sick leave may be carried over from year to year and may only be used under the provisions of catastrophic or terminal leave. Sick leave is forfeited upon termination.

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Full-time employees of the Sheriff can earn up to 160 hours per year of annual leave, depending on their length of employment. Accrued, unused annual leave at year end may be carried over year to year, limited based on years of service, up to 160 hours. Hours above these limits are credited to terminal leave up to a maximum of 960 hours. The balance of unused annual leave is due to the employee at the time of termination.

Certain employees classified as non-law enforcement personnel, nonexempt law enforcement personnel, or supervisors who are exempt from the Fair Labor Standards Act may accumulate either compensatory time or overtime pay. Upon termination, these employees may be paid for up to forty hours accumulated unused compensatory time at an "hour for hour" rate.

J. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

K. EQUITY CLASSIFICATIONS

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

- a. *Net Investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* - Consists of net position with constraints placed on the use by either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – All other net position that do not meet the definition of “net investment in capital assets” or “restricted”.

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In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a. *Nonspendable* - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. *Restricted* - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. *Committed* - amounts that can be used only for specific purposes determined by a formal decision of the Sheriff, which is the highest level of decision-making authority.
- d. *Assigned* - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. *Unassigned* - all other spendable amounts.

Explanations of the nature and purpose of the designations of Sheriff's fund balances are as follows:

- a. *Committed for capital projects* - represents assets reserved to fund capital projects associated with the acquisition, planning, construction and/or renovation of buildings and improvements.
- b. *Committed for SELA Crime Lab* - represents assets reserved to fund the SELA Crime Lab.
- c. *Committed debt service* - represents assets reserved to fund the upcoming years debt service obligations.
- d. *Assigned for insurance* - represents assets reserved to fund insurance premiums, deductibles, and claims.
- e. *Assigned for drug interdiction* - represents assets reserved to be used solely for drug interdiction.
- f. *Assigned for D.A.R.E.* - represents assets reserved to fund the D.A.R.E. program.
- g. *Assigned for Disasters* - represents assets reserved for emergency funding in the event of disaster, such as a hurricane.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Sheriff considers restricted

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

L. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

M. USE OF ESTIMATES

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

N. SUBSEQUENT EVENT REVIEW

The Sheriff has evaluated subsequent events through December 30, 2019, the date the financial statements were available to be issued.

NOTE 2 CASH AND CASH EQUIVALENTS

Under Louisiana law, the Sheriff may deposit funds within a fiscal agent bank under the laws of the State of Louisiana, the laws of any other state in the Union, or the Laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2019, the sheriff has cash and interest-bearing deposits (book balances) as follows:

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	Government-wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Demand deposits	622,501	481,143	1,103,644
Interest-bearing deposits	3,336,048	2,260,682	5,596,730
Total cash and cash equivalents	<u>\$ 3,958,549</u>	<u>\$ 2,741,825</u>	<u>\$ 6,700,375</u>

Custodial credit risk for deposits is the risk that in the event of a failure of a depository financial institution, the Sheriff's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. 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 similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Sheriff or pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at June 30, 2019, are secured as follows:

Bank balances	<u>\$ 6,903,479</u>
Federal deposit insurance	\$ 1,031,973
Pledged securities	<u>5,871,506</u>
Total	<u>\$ 6,903,479</u>

Deposits in the amount of \$5,871,506 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Sheriff's name.

NOTE 3 INVESTMENTS

Investments held at June 30, 2019, consist of \$6,880,840 in the Louisiana Asset Management Pool (LAMP). In accordance with GASB Codification Section 150.128, the investment in LAMP is not exposed to custodial credit risk because the investment is in the pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.

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LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB No. 79. The following facts are relevant for investment pools:

- a. Credit risk: LAMP is rated AAAM by Standard & Poor's.
- b. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- c. Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- d. Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.
- e. Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net position value of the pool shares.

LAMP, Inc. is subject to regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

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NOTE 4 RECEIVABLES

The receivables of \$199,311 at June 30, 2019, are as follows:

Ad valorem taxes	\$ 25,331
Amounts due for commissions	45,308
Amounts due for services	<u>128,672</u>
Total	<u>\$199,311</u>

The Sheriff considers all receivables to be collectible; therefore, no allowance has been established for doubtful accounts.

NOTE 5 DUE FROM OTHER GOVERNMENTS

The amounts due to the general fund from other governments of \$2,864,499 at June 30, 2019 is as follows:

	General Fund	Construction Fund – Detention Center	Total – Governmental Funds
State of Louisiana:			
Video Poker	\$139,464		\$139,464
D.A.R.E. Grant	14,190		14,190
Supplemental pay	189,896		189,896
Maintenance of prisoners	<u>328,176</u>		<u>328,176</u>
Total	<u>671,726</u>		<u>671,726</u>
Federal Grants	174,585		174,585
Lafourche Parish Government:			
Maintenance of prisoners	43,404		43,404
Detention Cntr expense reimb.	230,315		230,315
Animal control	19,580		19,580
Council on Aging	26,071		26,071
Homeland Security Director	48,402		48,402
Other	<u>17,547</u>		<u>17,547</u>
Total	<u>385,318</u>		<u>385,318</u>

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	General Fund	Construction Fund – Detention Center	Total – Governmental Funds
Lafourche Parish School Board:			
Sales tax	\$728,866	\$249,440	\$978,306
PASS / SRO contract	349,570		349,570
Totals	<u>1,078,436</u>		<u>1,078,436</u>
Other	304,993		304,993
Total Due from Other Gov'ts	<u>\$2,615,058</u>	<u>\$249,440</u>	<u>\$2,864,498</u>

NOTE 6 CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance at 06/30/18	Additions	Deletions	Balance at 6/30/19
Governmental activities:				
Capital assets not being depreciated:				
CIP - Jail Construction	\$37,585,763	\$ 9,377,103	\$ -	\$ 46,962,866
CIP - Administration building	2,946,312	-	-	2,946,312
Land	1,475,867	-	-	1,475,867
Total non-depreciable capital assets	<u>42,007,941</u>	<u>9,377,103</u>	<u>-</u>	<u>51,385,044</u>
Other capital assets:				
Buildings & improvements	\$ 4,129,529	\$ -	\$ -	\$ 4,129,529
Vehicles	6,452,309	-	-	6,452,309
Equipment & furniture	5,049,513	42,908	(97,040)	4,995,380
Total depreciable capital assets	<u>\$ 15,631,351</u>	<u>\$ 42,908</u>	<u>\$ (97,040)</u>	<u>\$ 15,577,218</u>
Total capital assets	\$ 57,639,292	\$ 9,420,011	\$ (97,040)	\$ 66,962,263
Less: Accumulated depreciation				
Buildings & improvements	\$ 2,153,864	\$ 167,873	\$ -	\$ 2,321,737
Vehicles	5,624,625	153,506	-	5,778,131
Equipment & furniture	3,812,662	208,696	(87,220)	3,934,139
Total accumulated depreciation	<u>\$ 11,591,152</u>	<u>\$ 530,075</u>	<u>\$ (87,220)</u>	<u>\$ 12,034,007</u>
Governmental activities, capital assets, net	<u>\$ 46,048,141</u>			<u>\$ 54,928,255</u>

Depreciation expense of \$530,075 for the year ended June 30, 2019 was charged to public safety.

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NOTE 7 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 are levied on the assessed value listed as of the prior January 1 for all real property, merchandise and moveable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all real property is required to be completed no less than every four years. Taxes are due and payable December 31st with interest being charged on payments after January 1st. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended June 30, 2019, which is the 2018 tax roll, was 10.37 mills per \$1,000 of assessed valuation on property within the Parish for the purpose of maintaining and operating the Sheriff's office.

NOTE 8 TAX COLLECTOR ENDING CASH BALANCE

The amount of cash on hand at year end was \$1,294,629. The unsettled balances of the Tax Collector Fund at June 30, 2019 consist of the following:

Collection of current and prior year taxes, not settled	\$ 197,126
Refunds and redemptions	1,830
Escrow account	77,158
Protest taxes	<u>1,018,515</u>
Total	<u>\$ 1,294,629</u>

NOTE 9 POSTEMPLOYMENT HEALTH CARE & LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The Lafourche Parish Sheriff's Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The Lafourche Parish Sheriff's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Sheriff. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Sheriff. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

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Benefits Provided – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. The employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 15 years of service at any age. Based on review of the census data, we have assumed that employees would enter the D.R.O.P. at the earlier of (1), age 55 and 15 years of service, and, (2), 30 years of service at any age.

Life insurance coverage is provided to retirees and both the employer and retiree costs are based on the blended rate (active and retired). The amount of insurance coverage while active is continued after retirement, but retiree insurance coverage amounts are reduced at age 65 to 75% of the original amount and to 50% of the original amount at age 70. The employer pays for the first \$10,000 of the "cost" of the retiree life insurance and the retiree pays the remainder for the excess over \$10,000, but that "cost" is based on the blended rates. There is therefore an implicit employer subsidy to the extent that the higher retiree rates are diluted by the lower active rates.

Employees covered by benefit terms – At July 1, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	63
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>315</u>
	<u><u>378</u></u>

Total OPEB Liability

The Sheriff's total OPEB liability of \$14,001,821 was measured as of July 1, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	3.5%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

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The RP-2000 Table without projection with 50%/50% unisex blend has been used.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2008 to June 30, 2019.

Changes in the Total OPEB Liability

Balance at June 30, 2018	\$ 15,604,739
Changes for the year:	
Service cost	404,910
Interest	553,252
Differences between expected and actual experience	375,523
Benefit payments and net transfers	(280,411)
Net changes	<u>1,764,661</u>
Balance at June 30, 2019	<u>\$ 14,001,821</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5%) or 1-percentage-point higher (4.5%) than the current discount rate:

	1.0% Decrease (2.5%)	Current Discount Rate (3.5%)	1.0% Increase (4.5%)
Total OPEB liability	\$ 21,217,436	\$ 14,001,821	\$ 14,430,163

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 14,660,251	\$ 14,001,821	\$ 20,915,704

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the Sheriff recognized OPEB expense of \$1,036,841. At June 30, 2019, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 677,866	\$ -
Changes in assumptions	673,946	
Total	\$ 1,351,812	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30:	
2020	76,680
2021	76,680
2022	76,680
2023	76,680
2024	76,680
Thereafter	958,414

NOTE 10 PENSION PLAN

Substantially all full-time employees of the Lafourche Parish Sheriff's office are members of the Louisiana Sheriffs' Pension and Relief Fund (Fund), a cost-sharing, multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability, and survivor benefits to employees of sheriff's offices throughout the State of Louisiana, employees of the Louisiana Sheriff's Association, and the Sheriffs' Pension and Relief Fund's Office.

Summary of Significant Accounting Policies

The Sheriff's Pension and Relief Fund prepares its employer schedule in accordance with Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred

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outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

Basis of Accounting - The Sheriff's Pension and Relief Fund's employer schedules were prepared using the accrual basis of accounting. Employer contributions, for which the employer allocations are based, are recognized in the period in which the employee is compensated for services performed.

Fund Employees - The Fund is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the Fund's employees is allocated to the remaining employers based on their respective employer allocation percentage. The net pension liability attributed to the Fund's employees is allocated to the remaining employers based on their respective employer allocation percentage.

Plan Fiduciary Net Position - Plan fiduciary net position is a significant component of the Fund's collective net pension liability. The Fund's plan fiduciary net position was determined using the accrual basis of accounting. The Fund's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the Fund's investments. Accordingly, actual results may differ from estimated amounts.

Pension Amount Netting - The deferred outflows and deferred inflows of resources attributable to differences between projected and actual earnings on pension plan investments recorded in different years are netted to report only a deferred outflow or a deferred inflow on the schedule of pension amounts. The remaining categories of deferred outflows and deferred inflows are not presented on a net basis.

Plan Description

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

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

Retirement Benefits - For members who become eligible for membership on or before December 31, 2011, members with twelve years of creditable service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The retirement allowance is equal to three and one-third percent of the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Active, contributing members with at least ten years of creditable service may retire at age sixty. The accrued normal retirement benefit is reduced actuarially for each month or fraction thereof that retirement begins prior to the member's earliest normal retirement date assuming continuous service.

For members whose first employment making them eligible for membership in the system began on or after January 1, 2012, members with twelve years of creditable service may retire at age sixty-two; members with twenty years of service may retire at age sixty; members with thirty years of creditable service may retire at age fifty-five. The benefit accrual rate for such members with less than thirty years of service is three percent; for members with thirty or more years of service; the accrual rate is three and one-third percent. The retirement allowance is equal to the benefit accrual rate times the member's average final compensation multiplied by his years of creditable service, not to exceed (after reduction for optional payment form) 100% of average final compensation. Members with twenty or more years of service may retire with a reduced retirement at age fifty.

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

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

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For a member whose first employment making him eligible for membership in the system began on or after July 1, 2013, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months is service was interrupted. The earnings to be considered for each twelve-month period within the sixty-month period shall not exceed 115% of the preceding twelve-month period.

Disability Benefits - A member is eligible to receive disability benefits if the member has at least 10 years of creditable service when a non-service-related disability is incurred; there are no service requirements for a service related disability. Disability benefits shall be the lesser of (1) a sum equal to the greatest of 45% of final average compensation or the members' accrued retirement benefit at the time of termination of employment due to disability, or (2) the retirement benefit which would be payable assuming continued service to the earliest normal retirement age. Members who become partially disable receive 75% of the amount payable for total disability.

Survivor Benefits - Survivor benefits for death solely as a result of injuries in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under 18 years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 15% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 100%. If a member dies with no surviving spouse, surviving children under age eighteen with receive monthly benefits of 15% of the member's final average compensation up to a maximum of 60% of final average compensation if there are more than four children. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-two, if the child is a full time student in good standing enrolled at a board approved or accredited school, college, or university.

Deferred Benefits - The Fund does not 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.

Back Deferred Retirement Option Plan (Back-DROP) - In lieu of receiving a service retirement allowance, any member of the Fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three

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years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. For those individuals with thirty or more years, the Back-DROP period is the lesser of four years 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 multiplied by the number of months in the Back- DROP period. In addition, the member's Back-DROP account will be credited with employee contributions received by the retirement fund during the Back-DROP period. Participants have the option to opt out of this program and take a distribution, if eligible, or to rollover the assets to another qualified plan.

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

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the actual employer contribution rate was 12.75% with an additional -0-% allocated from the Funding Deposit Account.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing- funds. These additional sources of income are used, as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. Non-employer contributions are recognized as revenue in the amount of \$1,027,097 and excluded from pension expense for the year ended June 30, 2018.

Schedule of Employer Allocations

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

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

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 \$9,647,339 for its proportionate share of the net pension liability. 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 2.515834%, which was a decrease of 0.182262% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the Sheriff recognized pension expense of \$2,139,789 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$379).

Contributions – Proportionate Share

Differences between contributions remitted to the Fund and the employer's proportionate share are recognized in pension expense (benefit) using straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

At June 30, 2018, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ (2,708,160)
Changes of assumptions	\$2,851,889	
Net difference between projected and actual earnings	-	(572,696)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	860,729	<u>(904,680)</u>
Employer contributions subsequent to the measurement date		
Total	<u>\$ 3,712,618</u>	<u>\$ (4,185,536)</u>

The Sheriff reported a total of \$2,160,539 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, 2020.

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

Year ending <u>June 30,</u>	<u>LSRPF in \$</u>
2019	414,940
2020	60,921
2021	(960,702)
2022	(60,385)
2023	72,308
Total	<u>(472,918)</u>

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

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	7.25%, net of investment expense
Discount Rate	7.25%
Projected Salary Increases	5.5% (2.60% Inflation, 2.90% Merit)

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Mortality Rates	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for active members, healthy annuitants and beneficiaries
	RP-2000 Disabled Lives Mortality Table
Expected Remaining Service Lives	2018 – 6 years
	2017 – 7 years
	2016 – 7 years
	2015 – 6 years
	2014 – 6 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, 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	Expected Rate of Return		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	62%	6.9%	4.3%
Bonds	23%	3.2%	0.7%
Alternative Investments	15%	4.5%	0.7%
Totals	<u>100%</u>		5.7%
Inflation			<u>2.5%</u>
Expected Arithmetic Nominal Return			<u>8.2%</u>

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

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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 to Changes in the Discount Rate - The following presents the Sheriff's proportionate share of the net pension liability (NPL) calculated using the discount rate of 7.25%, 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>Discount Rate</u>	<u>LPSO Net Pension Liability</u>
1% decrease	6.25%	\$21,833,218
Current discount rate	7.25%	\$11,683,494
1% increase	8.25%	(\$611,777)

The Sheriff's Pension and Relief Fund has issued as stand-alone audit report on their financial statements for the year ended June 30, 2018. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.la.gov.

NOTE 11 DEFERRED COMPENSATION PLAN

Certain employees of the Lafourche Parish Sheriff participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

NOTE 12 COMPENSATED ABSENCES

At June 30, 2019, employees of the sheriff have accumulated and vested \$593,774 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this total, \$579,799 is recorded in the general fund as a short-term obligation. The balance, \$13,975, is record as a long-term liability in the Statement of Net Position.

LAFOURCHE PARISH SHERIFF
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Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

NOTE 13 CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to the general fund, taxing bodies and others can be found on page 51-52 of this report.

NOTE 14 LONG-TERM AND SHORT-TERM DEBT

Long-term debt:

The following is a summary of long-term obligation transactions during the year:

	Balance at 7/1/18	Additions	Reductions	Balance at 6/30/19
Governmental activities:				
2009 Certificate of indebtedness	120,000	-	(120,000)	-
2012 Certificate of indebtedness	1,420,000	-	(340,000)	1,080,000
2016 Bond Issue	40,655,000	-	(950,000)	39,705,000
Compensated absences	-	13,975	-	13,975
Pension obligation	11,683,494	-	(2,036,155)	9,647,339
Other post-employment benefits	15,604,739	1,764,661	-	17,369,400
	<u>69,483,233</u>	<u>1,778,636</u>	<u>(3,446,155)</u>	<u>67,815,714</u>

During fiscal year ended June 2009, the Lafourche Parish Law Enforcement District passed a resolution to incur new debt of \$1,000,000 to finance the purchase and implementation of a comprehensive fully integrated public safety information management system (department wide including necessary hardware) and to enhance and improve the LPSO training academy building. In fiscal year ended June 30, 2010, the Sheriff's Office received the proceeds of the \$1,000,000 Certificate of Indebtedness, Series 2009 which bears an interest rate of 3.31% per annum maturing over ten years. The balance of this indebtedness was fully satisfied in the current fiscal year.

During fiscal year ended June 2013, the Lafourche Parish Law Enforcement District passed a resolution to incur new debt of \$3,000,000 to make capital improvements that include construction and acquisition of improvements to the buildings and grounds of the Law Enforcement building located Lynne Ave in Thibodaux, Louisiana. The Sheriff's Office received the proceeds of the \$3,000,000 Certificate of Indebtedness, Series 2012 which bears an interest rate of 1.99% per annum maturing over ten years. The bonds are secured by a pledge of the proceeds of the Sheriff's 10.37 mills tax.

During fiscal year ended June 2015, the Lafourche Parish Law Enforcement District passed a resolution to issue bonds to construct a new jail for the parish located on Tiger Drive in Thibodaux, Louisiana. The Sheriff's Office received the proceeds of the bond

LAFOURCHE PARISH SHERIFF
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As of and for the Year Ended June 30, 2019

issuance in fiscal year ended June 30, 2016 in the amount of \$41,565,000 with a final maturity on September 1, 2044 and with an interest rate at 2.0% to 4.0%. The bonds are secured with the proceeds of the Sheriff's 0.2% sales tax proceeds dedicated to the construction and operation of the jail.

All principal and interest requirements are funded in accordance with Louisiana law by the general revenues of the sheriff. Required debt service is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	1,320,000	1,336,017	2,656,017
2021	1,350,000	1,304,232	2,654,232
2022	1,385,000	1,267,263	2,652,263
2023	1,050,000	1,228,925	2,278,925
2024	1,080,000	1,191,575	2,271,575
2025-2029	6,090,000	5,529,875	11,349,875
2030-2034	7,400,000	3,923,275	11,323,275
2035-2039	8,740,000	2,592,125	11,332,125
2040-2044	10,145,000	1,158,259	11,303,259
2045	2,225,000	34,766	2,259,766
	<u>40,785,000</u>	<u>19,296,312</u>	<u>60,081,312</u>

Short-term debt:

During fiscal year ended June 30, 2019, the Lafourche Parish Law Enforcement District passed a resolution to obtain a Revenue Anticipation Note, Series 2018 to provide short-term funding for operations. The principal amount approved was \$3,000,000; however, only \$1,500,000 was obtained. Interest was set at a rate of 4.85% per annum. The note was secured by and payable from a pledge of all revenues accruing to the Sheriff's General Fund for the fiscal year ended June 30, 2019. The note was fully satisfied and cancelled by year end. Total interest expense paid on this note was \$18,592.

NOTE 15 TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2019, include \$1,018,515 of taxes paid under protest and interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

LAFOURCHE PARISH SHERIFF
Thibodaux, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

NOTE 16 LEASE OBLIGATIONS

The Sheriff's current operating lease agreements are outlined below.

An operating lease agreement with Rebstock Marine Transportation for the Work Release Center building in Raceland. The agreement was renewed effective May 1, 2009 and terminating April 30, 2029. Monthly payments were adjusted on June 1, 2014 when it increased to \$16,500. Monthly rent will be adjusted every five years per the lease agreement.

An operating lease agreement with General Marine Leasing for the Trustee Building. The Agreement was renewed in May 2008. The agreement is for one year and will self renew with the option of a ten-day cancellation notice. The agreement was terminated December 2018. Monthly payments were \$11,350 and paid for the six months during which the agreement was in force.

A month-to-month lease agreement with Classic Business Products for copy machines through June 30, 2020. Monthly payments are \$1,487.

A month-to-month lease agreement with the Town of Lockport for a portion of the Lockport Town Hall Complex, designated as Suite B. Monthly payments are \$800.

A lease agreement with Enterprise FM Trust for vehicles. The Agreement began February 26, 2015 and is cancellable, by any party, at any time, by providing 30 days' prior written notice. Payments are contingent upon number of vehicles rented. The Sheriff paid \$294,938 for vehicle rental expense during this fiscal year.

The minimum annual commitments under non-cancelable operating leases are as follows:

Year Ending June 30,	
2020	215,884
2021	198,000
2022	198,000
2023	198,000
2024	198,000
2025-2029	990,000

Rental expense for the year ended June 30, 2019 was \$651,916, paid from the general fund.

LAFOURCHE PARISH SHERIFF
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Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

NOTE 17 EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH COUNCIL

The Lafourche Parish Council (a separate entity) provides the Sheriff with certain amounts of office space at no cost. The cost of maintaining and operating this space is paid by the Lafourche Parish Council as required by statute. These expenditures are not included in the accompanying financial statements.

NOTE 18 ON BEHALF PAYMENTS FOR SALARIES

Qualified employees of the Sheriff's office receive a monthly salary supplement from the state. These supplements which aggregated \$1,406,980 for the year ended June 30, 2019 are reported as revenue and expenditures in the accompanying financial statements.

NOTE 19 TAX ABATEMENTS

The Lafourche Parish Government enters into property tax abatement agreements with local businesses under the Louisiana Economic Development Act of 2013. Under this act, localities may grant property tax abatements for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business within or promising to relocate to the Parish.

For the fiscal year ended June 30, 2019, the Parish abated property taxes totaling \$640,090, which represents the Lafourche Parish Sheriff's portion of the forfeited revenue.

NOTE 20 LITIGATION, CLAIMS, AND RISK MANAGEMENT

At June 30, 2019, the Sheriff was a defendant in lawsuits principally arising from the normal course of operations. The Sheriff plans to vigorously oppose these suits. The Sheriff's legal counsel has reviewed the claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome of the Sheriff. It is the opinion of the Sheriff, after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits would not have a material adverse effect on the Sheriff's financial position.

LAFOURCHE PARISH SHERIFF
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Notes to the Financial Statements
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The Sheriff is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illness; natural disasters; and employee accident and health benefits. Commercial insurance coverage is purchased to cover real and personal property, general liability, automobile, crime, and law enforcement liability. There has been no significant reduction in insurance coverage during the current fiscal year.

Required Supplementary Information

LAFOURCHE PARISH SHERIFF
Thibodaux, Louisiana

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Tax and related revenues	\$ 18,600,000	\$ 18,550,000	\$ 18,833,063	\$ 283,063
Intergovernmental	4,091,297	4,067,427	4,695,654	628,227
Charges for services	5,758,179	7,082,406	7,723,650	641,244
Other	1,407,945	1,538,648	401,900	(1,136,748)
Total revenues	<u>29,857,421</u>	<u>31,238,481</u>	<u>31,654,267</u>	<u>415,786</u>
Expenditures:				
Public safety:				
Salaries and related benefits	22,887,028	23,713,405	23,812,960	(99,555)
Operating, law enforcement & repairs & maintenance expenses	7,469,793	8,594,151	8,519,946	74,205
Debt service	492,230	1,642,564	142,564	1,500,000
Capital outlay	100,000	29,996	42,908	(12,912)
Other	-	-	-	-
Total expenditures	<u>30,949,051</u>	<u>33,980,116</u>	<u>32,518,378</u>	<u>1,461,738</u>
Excess (Deficiency) of revenues over expenditures	(1,091,630)	(2,741,635)	(864,111)	1,877,524
Other Financing Sources (Uses):				
Total other financing sources (uses)	<u>-</u>	<u>1,131,742</u>	<u>(368,258)</u>	<u>(1,500,000)</u>
Excess (Deficiency) Of Revenues and Other Sources Over Expenditures and Other Uses	(1,091,630)	(1,609,893)	(1,232,369)	377,524
Fund Balance, beginning	<u>6,532,767</u>	<u>6,532,767</u>	<u>6,532,767</u>	<u>-</u>
Fund Balance, ending	<u>\$ 5,441,137</u>	<u>\$ 4,922,874</u>	<u>\$ 5,300,398</u>	<u>\$ 377,524</u>

LAFOURCHE PARISH SHERIFF
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Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2019

	<u>2018</u>	<u>2019</u>
Total OPEB Liability		
Service cost	\$ 362,430	\$ 404,910
Interest	508,845	553,252
Changes in benefit terms	-	-
Differences between expected and actual experience	365,055	375,523
Changes of assumptions	-	711,387
Benefit payments and net transfers	<u>(340,060)</u>	<u>(280,411)</u>
Net change in total OPEB liability	\$ 896,270	1,764,661
Total OPEB liability - beginning	<u>14,708,469</u>	<u>15,604,739</u>
Total OPEB liability - ending	<u><u>\$ 15,604,739</u></u>	<u><u>\$ 17,369,400</u></u>
 Covered employee payroll	 \$ 15,851,920	 \$ 14,001,821
 Net OPEB liability as a percentage of covered-employee payroll	 98.44%	 124.05%
 Notes to Schedule:		
 Benefit Change:	 None	 None
 Changes of Assumptions:		
Discount Rate:	3.50%	3.50%
 <i>Implicit subsidy for blended rates</i>	 130%	 145%

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

LAFOURCHE PARISH SHERIFF
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Schedule of Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2019 *

<u>Year Ended June 30,</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered- Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2019	2.515834%	\$ 9,647,339	\$ 17,315,785	55.7141%	90.41%
2018	2.698096%	\$ 11,683,494	\$ 18,688,344	62.5175%	88.49%
2017	2.481039%	\$ 15,746,894	\$ 16,944,300	92.9333%	82.10%
2016	2.447683%	\$ 10,910,589	\$ 16,233,618	67.2098%	86.61%
2015	2.499986%	\$ 9,899,958	\$ 16,124,719	61.3962%	87.34%

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

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

LAFOURCHE PARISH SHERIFF
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Schedule of Employer Pension Contributions
For the Year Ended June 30, 2019

<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2019	\$ 2,160,539	\$ 2,160,539	-	\$ 17,637,050	12.2500%
2018	\$ 2,207,763	\$ 2,207,763	-	\$ 17,315,785	12.7500%
2017	\$ 2,476,206	\$ 2,476,206	-	\$ 18,688,344	13.2500%
2016	\$ 2,329,841	\$ 2,329,841	-	\$ 16,944,300	13.7500%
2015	\$ 2,313,291	\$ 2,313,291	-	\$ 16,233,618	14.2500%

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

Other Information

General Descriptions – Agency Funds

Bond Fund

This fund accounts for the collections of bonds taken to secure the appearance of an individual before the district court. If, at the time appointed, such person fails to appear and answer when called, the judge, on motion of the district attorney, can enter a judgement decreeing the forfeiture of the bond. Deductions and distributions are made in the manner prescribed by order of the court.

Criminal Fines Fund

This fund accounts for the collection of guilty pleas for traffic violations and for the collection of various other non-traffic violations and criminal offenses. In addition, the fund also collects all fines assessed by the district court. Deductions and distributions of these collections are made in the manner prescribed by law.

Sales & Seizures Fund

The Sales & Seizures Fund accounts for funds held in civil suits, sheriff's sales, and garnishments. It also accounts for collections of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws.

Tax Collector Fund

Article V, Section 27 of the Louisiana Constitution of 1974 provides that the sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

Alcohol Licenses Fund

The Alcohol Licenses Fund accounts for the collection and distribution of funds received from the sale of alcohol licenses.

Community Needs Fund

The Community Needs Fund accounts for the collection and distribution of funds received from various organizations for the welfare of persons in need of temporary shelter and various other needs.

LAFOURCHE PARISH SHERIFF
Thibodaux, Louisiana
Fiduciary Fund Type - Agency Funds

Combining Balance Sheet
June 30, 2019

	<u>BOND FUND</u>	<u>CRIMINAL FINES FUND</u>	<u>SALES & SEIZURES FUND</u>	<u>TAX COLLECTOR FUND</u>	<u>ALCOHOL LICENSE FUND</u>	<u>COMMUNITY NEEDS FUND</u>	<u>TOTAL</u>
ASSETS							
Cash and cash equivalents	\$ 998,612	\$ 174,687	\$ 263,247	\$ 1,294,629	\$ 652	\$ 9,998	\$ 2,741,825
Due from general fund	-	3,498	182	25,873		-	29,553
Due from others	<u>-</u>	<u>1,579</u>	<u>5</u>	<u>114,058</u>	<u>2,050</u>	<u>-</u>	<u>117,692</u>
TOTAL ASSETS	<u><u>998,612</u></u>	<u><u>179,763</u></u>	<u><u>263,435</u></u>	<u><u>1,434,561</u></u>	<u><u>2,702</u></u>	<u><u>9,998</u></u>	<u><u>2,889,070</u></u>
LIABILITIES							
Due to general fund	8,687	25,718	23,135	20,930	-		78,469
Due to taxing bodies and others	<u>989,925</u>	<u>154,045</u>	<u>240,300</u>	<u>1,413,631</u>	<u>2,702</u>	<u>9,998</u>	<u>2,810,601</u>
TOTAL LIABILITIES	<u><u>\$ 998,612</u></u>	<u><u>\$ 179,763</u></u>	<u><u>\$ 263,435</u></u>	<u><u>\$ 1,434,561</u></u>	<u><u>\$ 2,702</u></u>	<u><u>\$ 9,998</u></u>	<u><u>\$ 2,889,070</u></u>

LAFOURCHE PARISH SHERIFF
Thibodaux, Louisiana
Fiduciary Fund Type - Agency Funds

Schedule of Changes in Balances Due to Taxing Bodies and Others
For the Year Ended June 30, 2019

	BOND FUND	CRIMINAL FINES FUND	SALES & SEIZURES FUND	TAX COLLECTOR FUND	ALCOHOL LICENSE FUND	COMMUNITY NEEDS FUND	TOTAL
Balances, beginning of year	\$ 905,787	\$ 196,512	\$ 279,912	\$ 1,692,019	\$ 5,602	\$ 10,690	\$ 3,090,521
Additions:							
Deposits:							
Sheriff's sales & suits			2,648,890				2,648,890
Bonds	940,745						940,745
Fines and costs		2,290,731					2,290,731
Garnishments			436,759				436,759
Beer & liquor permits					48,910		48,910
Taxes, fees, etc., paid to tax collector				116,555,364			116,555,364
Interest earned	967		365	560			1,892
Other						218	218
Total additions	<u>941,712</u>	<u>2,290,731</u>	<u>3,086,013</u>	<u>116,555,925</u>	<u>48,910</u>	<u>218</u>	<u>122,923,509</u>
Total	1,847,499	2,487,243	3,365,925	118,247,943	54,512	10,908	126,014,030

LAFOURCHE PARISH SHERIFF
Thibodaux, Louisiana
Fiduciary Fund Type - Agency Funds

Schedule of Changes in Balances Due to Taxing Bodies and Others
For the Year Ended June 30, 2019

	BOND FUND	CRIMINAL FINES FUND	SALES & SEIZURES FUND	TAX COLLECTOR FUND	ALCOHOL LICENSE FUND	COMMUNITY NEEDS FUND	TOTAL
Reductions:							
State of Louisiana:							
Taxes, fees, etc., distributed to taxing bodies, and others				116,810,182			116,810,182
Deposits settled to:							
Sheriff		517,003	764,506		7,104		1,288,613
Parish Council					40,256		40,256
Litigants			2,337,985				2,337,985
Bond fees paid	848,390						848,390
Other	497	1,790,477		3,200	4,450	909	1,799,534
Total reductions	<u>848,887</u>	<u>2,307,480</u>	<u>3,102,491</u>	<u>116,813,382</u>	<u>51,810</u>	<u>909</u>	<u>123,124,960</u>
Balances, end of year	<u>\$ 998,612</u>	<u>\$ 179,763</u>	<u>\$ 263,435</u>	<u>\$ 1,434,561</u>	<u>\$ 2,702</u>	<u>\$ 9,998</u>	<u>\$ 2,889,070</u>

STATE OF LOUISIANA

PARISH OF LAFOURCHE

AFFIDAVIT

CRAIG WEBRE, SHERIFF OF LAFOURCHE PARISH

BEFORE ME, the undersigned authority, personally came and appeared, Craig Webre, the sheriff of Lafourche Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$1,294,629 is the amount of cash on hand in the tax collector accounts on **June 30, 2019**;

He further deposed and said:

All itemized statements of the amount 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.

Craig Webre, Sheriff of Lafourche Parish

SWORN to and subscribed before me, Notary, this 30th day of December 2019, in in Thibodaux, Louisiana.

(Signature)

_____(Print), # _____

_____(Commission)

MISAEAL A. JIMENEZ, JR.
Notary Public - Attorney
Identification #27822
Lafourche Parish, LA
Commission Issued For Life

LAFOURCHE PARISH SHERIFF
(As Ex-officio Parish Tax Collector)
Thibodaux, Louisiana

Schedule of 2018 Tax Roll and Collections
For the Year Ended June 30, 2019

TAXING ENTITY	ORIGINAL ASSESSMENT	TAX ORDER CHANGES	ADJUDICATED/ EXEMPT	TOTAL TAXES COLLECTIBLE	TAXES COLLECTED	REFUNDS	**AMOUNT TO BE COLLECTED
Assessment District	\$ 1,898,324	\$ (15,016)	\$ (3,785)	\$ 1,879,523	\$ 1,843,352	\$ 2,245	\$ 38,415
Bayou Blue Fire District	550,623	(5,417)	(230)	544,976	540,492	1,533	6,017
Bayou Lafourche Fresh Water	1,954,458	(15,473)	(3,900)	1,935,085	1,897,812	2,313	39,586
Central Lafourche Ambulance	151,691	(1,209)	(56)	150,425	146,284	247	4,389
Council on Aging	1,927,232	(15,244)	(3,843)	1,908,145	1,871,424	2,279	39,000
Criminal	25,075	(154)	(73)	24,848	24,635	49	262
Drainage Dist. 1	448,376	(5,385)	(131)	442,860	430,209	505	13,156
Drainage Dist. 5	273,370	(896)	(22)	272,451	270,847	399	2,003
Drainage, Health, Library	4,933,715	(39,026)	(9,838)	4,884,852	4,790,845	5,834	99,841
Fire Dist 1 (Maintenance)	648,066	(3,350)	(409)	644,307	631,812	944	13,440
Fire Dist 2	339,141	(3,771)	(62)	335,308	321,591	628	14,345
Fire Dist 3	4,643,926	(41,034)	(13,219)	4,589,672	4,490,167	3,442	102,947
Fire Dist 4	105,241	(320)	-	104,922	104,612	104	414
Fire Dist 5 (Maintenance)	40,079	(89)	-	39,991	38,665	170	1,496
Fire Dist 5 (Bond)	20,040	(44)	-	19,995	19,332	85	748
Fire Dist 6 (Bond)	80,527	(368)	(39)	80,120	79,626	264	758
Fire Dist 6 (Maintenance)	346,008	(1,583)	(169)	344,256	342,133	1,135	3,258
Fire Dist 7	114,874	(117)	(24)	114,733	112,524	117	2,326
Fire Dist 8-C (\$45.00 fee)	86,670	45	(90)	86,625	85,093	-	1,532
Fire Dist 8-C (trailers)	11,295	-	-	11,295	11,295	-	-
Fire Dist 9	60,833	(525)	-	60,308	60,164	104	248
Fire T&L #6	38,634	(150)	-	38,484	38,451	-	33
Forestry Tax .08/AC	4,908	-	-	4,908	4,851	-	57
Greater Lafourche Port Comm.	3,871,896	(34,536)	(11,225)	3,826,136	3,742,098	2,830	86,868
Health Unit	790,165	(6,250)	(1,576)	782,340	767,284	934	15,990
Hospital Dist. 1 (Bond)	355,220	(3,168)	(1,030)	351,022	343,312	260	7,970
Hospital Dist. 1 (Maintenance)	1,977,392	(17,637)	(5,733)	1,954,022	1,911,103	1,445	44,364
Hospital Dist. 2	298,834	(2,383)	(111)	296,340	288,182	488	8,646
Juvenile Justice	3,083,572	(24,391)	(6,148)	3,053,032	2,994,278	3,646	62,400

LAFOURCHE PARISH SHERIFF
(As Ex-officio Parish Tax Collector)
Thibodaux, Louisiana

Schedule of 2018 Tax Roll and Collections
For the Year Ended June 30, 2019

TAXING ENTITY	ORIGINAL ASSESSMENT	TAX ORDER CHANGES	ADJUDICATED/ EXEMPT	TOTAL TAXES COLLECTIBLE	TAXES COLLECTED	REFUNDS	**AMOUNT TO BE COLLECTED
Lafourche Ambulance	1,835,310	(16,370)	(5,321)	1,813,619	1,773,784	1,341	41,176
Law Enforcement	9,992,700	(79,042)	(19,925)	9,893,732	9,703,332	11,815	202,216
Library	1,589,967	(12,577)	(3,170)	1,574,220	1,543,925	1,880	32,175
Library	3,912,282	(30,946)	(7,801)	3,873,535	3,798,990	4,626	79,170
Lockport General Alimony	80,093	(39)	(46)	80,008	79,022	6	992
LTC Fee (Finance)	2,277	(4)	-	2,273	2,273	-	-
LTC Fee (Public Service)	45,686	-	-	45,686	45,686	-	-
North Lafourche Levee	1,211,203	(7,876)	(175)	1,203,151	1,177,061	2,141	28,230
North Lafourche Levee	1,334,967	(8,410)	(1,258)	1,325,299	1,313,538	2,733	14,493
North Lafourche Levee	865,145	(5,626)	(125)	859,394	840,758	1,529	20,164
North Lafourche Levee	953,548	(6,007)	(899)	946,642	938,242	1,952	10,352
Parish Council	2,390,997	(19,082)	(4,682)	2,367,233	2,320,671	2,753	49,315
Parish Drainage	3,218,478	(25,458)	(6,417)	3,186,602	3,125,278	3,806	65,130
Parish Recreation	1,589,967	(12,577)	(3,170)	1,574,220	1,543,925	1,880	32,175
Public Building	2,399,404	(18,979)	(4,784)	2,375,641	2,329,922	2,837	48,555
Recreation #2 (Maintenance)	193,554	(1,005)	(123)	192,426	188,678	283	4,032
Recreation #8	65,548	(524)	-	65,024	64,881	104	247
Road District #1	4,286,274	(35,267)	(8,712)	4,242,295	4,154,941	5,068	92,423
Schools-A/C	7,217,485	(57,090)	(14,391)	7,146,003	7,008,482	8,534	146,056
Schools-Bond	10,792,501	(85,369)	(21,520)	10,685,613	10,479,973	12,761	218,401
Schools-Constitution	3,497,927	(27,669)	(6,975)	3,463,283	3,396,634	4,136	70,785
Schools-Retirement	1,927,232	(15,244)	(3,843)	1,908,145	1,871,424	2,279	39,000
Schools-Safety	3,854,465	(30,489)	(7,686)	3,816,290	3,742,847	4,558	78,000
Schools-Salary Supp	7,217,485	(57,090)	(14,391)	7,146,003	7,008,482	8,534	146,056
Schools-Special Main	7,217,485	(57,090)	(14,391)	7,146,003	7,008,482	8,534	146,056
South Lafourche Levee	2,995,235	(26,478)	(8,583)	2,960,174	2,895,406	2,217	66,984
South Lafourche Levee	2,911,369	(25,737)	(8,343)	2,877,289	2,814,335	2,154	65,109
Special Service #1	1,563,032	(12,850)	(3,174)	1,547,007	1,515,177	1,847	33,676
Veterans District	556,513	(4,964)	(1,613)	549,935	537,857	407	12,486

LAFOURCHE PARISH SHERIFF
(As Ex-officio Parish Tax Collector)
Thibodaux, Louisiana

Schedule of 2018 Tax Roll and Collections
For the Year Ended June 30, 2019

<u>TAXING ENTITY</u>	<u>ORIGINAL ASSESSMENT</u>	<u>TAX ORDER CHANGES</u>	<u>ADJUDICATED/ EXEMPT</u>	<u>TOTAL TAXES COLLECTIBLE</u>	<u>TAXES COLLECTED</u>	<u>REFUNDS</u>	<u>**AMOUNT TO BE COLLECTED</u>
Water District #1	3,113,560	(25,585)	(6,474)	3,081,501	3,017,613	3,670	67,557
TOTAL AD VALOREM TAXES	<u>\$ 117,911,872</u>	<u>\$ (942,936)</u>	<u>\$ (239,709)</u>	<u>\$ 116,729,228</u>	<u>\$ 114,444,088</u>	<u>\$ 136,384</u>	<u>\$ 2,421,524</u>

**For the fiscal year ended June 30, 2019, the taxes assessed and uncollected were due to movable property.

LAFOURCHE PARISH SHERIFF
Schedule of Compensation, Benefits and Other Payments
To Agency Head
For the Year Ended June 30, 2019

Agency Head Name: Craig Webre, Sheriff

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ 160,338
Benefits - Insurance	9,736
Benefits - Retirement	38,832
Benefits - Deferred Compensation Match	12,250
Dues	2,261
Travel	1,875
Registration Fees	875
Conference Travel	4,056
Reimbursements	<u>5,773</u>
TOTAL	<u><u>\$ 235,996</u></u>

**Other Information Required by
*Government Auditing Standards***



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

Honorable Craig Webre
Lafourche Parish Sheriff
Thibodaux, 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 remaining fund information of the Lafourche Parish Sheriff (the Sheriff), State of Louisiana, 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, and have issued our report thereon dated December 30, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* (2019-1, page 61).

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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Thibodaux, Louisiana
December 30, 2019

LAFOURCHE PARISH SHERIFF
Thibodaux, Louisiana
Schedule of Prior Year Findings
For the Year Ended June 30, 2019

Section I - Financial Statement Findings

There were no items previously reported under this section.

Section II – Internal Control and Compliance Material to Federal Awards

There were no items previously reported under this section.

Section III – Management Letter.

No management letter issued.

LAFOURCHE PARISH SHERIFF
Thibodaux, Louisiana
Schedule of Current Year Findings & Questioned Costs
For the Year Ended June 30, 2019

Section I - Financial Statement Findings

2019-1 Fraud Incident – Originated Externally (Compliance)

Condition: The Sheriff's Office was victimized by an external wire fraud scheme.

Criteria: On December 20, 2018, the Finance Department of the Sheriff's Office initiated a wire transfer to a vendor for an approved payment of expenses. On January 3, 2019, five business days later, the Sheriff's office learned that their office had been a victim of wire fraud.

Cause: Currently unknown individual(s) and/or organizations external to the Sheriff's Office created a false company and a false bank account. They then sent an email from a fictitious email account closely resembling an email account from a trusted source, with a falsified document appearing to be on the vendor's letterhead with instructions to change the banking information for the transfer. This information went through the proper controls of the Sheriff's Office and the funds were sent to the account.

Effect: \$347,707 was embezzled by an individual or organization outside of the Sheriff's Office. The matter was timely reported to the Louisiana Legislative Auditor and the Lafourche Parish District Attorney, in writing, in accordance with LRS 24:523. The Louisiana Attorney General's Office and the Federal Bureau of Investigation were also alerted. A criminal investigation was opened and search warrants obtained. The bank informed the Sheriff's Office that the funds were transferred out of the criminals' bank account shortly after they were received. The balance remaining in the fraudulent bank account at the time of the investigation was \$3,466.20 which was recovered by the Sheriff's Office on January 22, 2019. Research was performed to determine if any recovery could be made under insurance policies; unfortunately, this type of incident was not covered at the time. Since then, the Sheriff's Office has purchased an insurance policy which includes coverage for this type of fraud. The Sheriff's Office has also added an accounting policy whereby all changes to banking information must be verified by phone. The investigation is still ongoing with no known suspects. The balance of unrecovered funds is \$344,241.

Name and Title of Contact Person: Craig Webre, Sheriff

Views of Responsible Official: See pages 63-64.

LAFOURCHE PARISH SHERIFF

Thibodaux, Louisiana

Schedule of Current Year Findings & Questioned Costs For the Year Ended June 30, 2019

Section II – Internal Control and Compliance Material to Federal Awards

At June 30, 2019, the Sheriff did not meet the requirements to have a single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; therefore, this section is not applicable.

Section III – Management Letter.

No management letter has been issued.



CRAIG WEBRE
SHERIFF

"NATIONALLY ACCREDITED"

Parish of Lafourche Office of the Sheriff

*Serving
and
Protecting*

THIBODAUX (985) 449-2255
GALLIANO (985) 798-2255
LOCKPORT (985) 532-2255
FAX (985) 447-1854

12/30/2019

Louisiana Legislative Auditor
PO Box 94397
Baton Rouge, La 70804

To Whom It May Concern:

The Lafourche Parish Sheriff's Office wholly disagrees with this issue having to be an "item" on the schedule of current year Findings and Questioned Costs. To be blunt, our Office was the blameless victim of a cyber-crime. This illegal action was no different than (but an updated version of) the classic Wild West Bank Robbery (wherein masked gunman enters a bank and demands money before riding away into the sunset – never to be seen again).

No employee of the Lafourche Parish Sheriff's Office was involved in the act of perpetrating this crime. The Lafourche Parish Sheriff's Office was a victim of a wire fraud scheme. The intent of that scheme clearly was to defraud our office during the execution of an approved and legitimate payment to an existing vendor by coercing the financial department to route the same payment to an illegitimate destination.

Specifically, an unknown individual or enterprise possessing a high level of skill, knowledge, and sophistication relating to computer hacking was able to gain access to the email transmissions of a trusted project professional. That professional was engaged by our office to aid in the monitoring of an ongoing construction project. That project professional routinely monitored invoices related to the project and recommended to our office when it was appropriate to pay project invoices. On December 20, 2018, our office began the process of making payment to a project vendor on the recommendation of that trusted project professional. The payment was for a legitimate project invoice and immediately payable; having passed through all applicable internal approvals and mechanisms.

In addition to that recommendation, our office received what appeared to be a legitimate email from that same professional. That email included instructions to pay the invoice via wire transfer. The email included specific account and routing instructions for the performance of that transfer. Additionally, those instructions were on the letterhead of the vendor to which the payment was being sent. Our staff followed the instructions in the email and initiated payment of the legitimate invoice in accordance with the provided instructions. Soon after, our office learned that this particular email had come from a fictitious email address which was all but

identical to the email address of that project professional. We also learned that the wiring instructions were not inclusive of the proper banking information relative to the vendor being paid. We immediately launched a criminal investigation into the matter and notified proper authorities.

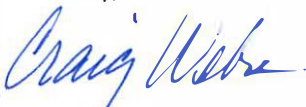
The Lafourche Parish Sheriff's Office maintains adequate internal controls over all financial processes that are designed to prevent and detect fraud. It is not reasonable to expect that these internal controls will prevent criminal intent from prevailing in all cases. Those same internal controls allowed us to detect this crime expediently. Unfortunately, crimes like these have become common place in the current business environment with victims emerging in both the Public and Private Sector. Many examples of similar schemes have been successful in negatively affecting other entities. It is important to point out that entities larger and more complex than ours routinely succumb to similar crimes involving Internet hacking. Most notably, the City of New Orleans and the State of Louisiana have recently been victims of similar hacking schemes (some of which have caused complete shut-downs which were long in duration and costly to those entities).

To date, we have done everything in our power to both retrieve the missing funds and bring the perpetrators of this crime to justice. In accordance with LRS 24:532, we have reported this occurrence to the Louisiana Legislative Auditor and the Lafourche Parish District Attorney timely and in writing. Although there was no requirement to do so, we reported the same to the Federal Bureau of Investigations and the Louisiana Attorney General's Office. We also maintain on ongoing local criminal investigation into the matter and have executed relevant search warrants. We have engaged a prominent Law Firm to explore all Potential Civil remedies and possible liability of Insurance providers as well as potential negligence of involved Financial Institutions. Lastly, we have purchased insurance that will cover future instances of the same or similar crimes.

For 28 years we have operated as a responsible and transparent Governmental Entity. The Lafourche Parish Sheriff's Office has a stellar history of sound financial management and Accounting practices; a review of past Audits will corroborate this fact. While this instance is unfortunate, the reality is that this Office was a victim of sophisticated Cyber Thieves whose presence is ever-growing on the Web. As previously detailed, steps are in place to help minimize future exposure but there are no known methods to completely insulate any entity from all possible instances of cybercrime and it is inherently unfair to suggest otherwise.

In kind regards, I remain

Sincerely,



Craig Webre
Sheriff



“NATIONALLY ACCREDITED”

LAFOURCHE PARISH SHERIFF

THIBODAUX, LOUISIANA

**Independent Accountant’s Report
On Applying Agreed-Upon Procedures**

Statewide Agreed-Upon Procedures

Year Ended June 30, 2019



(A Professional Corporation)
164 West Main Street, Thibodaux, LA 70301
South end of Canal Boulevard
(985) 447-8507 Fax (985) 447-4833
www.kearnscpa.com



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Craig Webre
Lafourche Parish Sheriff,

We have performed the procedures enumerated below, which were agreed to by the management of the Lafourche Parish Sheriff and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Lafourche Parish Sheriff's compliance with certain laws, regulations and best practices during the year ended June 30, 2019. Management of the Lafourche Parish Sheriff is responsible for its financial records and compliance with applicable laws and regulations.

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

The procedures and associated exceptions are as follows:

Written Policies and Procedures

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

The LPSO provided the policies and procedures to test against the agreed upon procedures.

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
- 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.
- c) **Disbursements**, including processing, reviewing, and approving
- d) **Receipts**, including receiving, recording, and preparing deposits

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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 personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained for all areas listed above and addressed the functions noted. No exceptions.

Board (or Finance Committee, if applicable)

Board procedures were not tested at June 30, 2019 (Year 3) due to the fact that there were no exceptions noted in prior years (Year 1 and Year 2).

Bank Reconciliations

Bank reconciliation procedures were not tested at June 30, 2019 (Year 3) due to the fact that there were no exceptions noted in Year 2.

Collections

Collections procedures were not tested at June 30, 2019 (Year 3) due to the fact that there were no exceptions noted in Year 2.

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

Non-payroll disbursement procedures were not tested at June 30, 2019 (Year 3) due to the fact that there were no exceptions noted in prior years (Year 1 and Year 2).

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

Credit card/debit card/fuel card/P-card procedures were not tested at June 30, 2019 (Year 3) due to the fact that there were no exceptions noted in prior years (Year 1 and Year 2).

Travel and Expense Reimbursement

Travel and Expense reimbursement procedures were not tested at June 30, 2019 (Year 3) due to the fact that there were no exceptions noted in Year 2.

Contracts

Contract procedures were not tested at June 30, 2019 (Year 3) due to the fact that there were no exceptions noted in prior years (Year 1 and Year 2).

Payroll and Personnel

Payroll and Personnel procedures were not tested at June 30, 2019 (Year 3) due to the fact that there were no exceptions noted in prior years (Year 1 and Year 2).

Ethics (excluding nonprofits)

Ethics procedures were not tested at June 30, 2019 (Year 3) due to the fact that there were no exceptions noted in prior years (Year 1 and Year 2).

Debt Service (excluding nonprofits)

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

The Sheriff's Office issued a Revenue Anticipation Note during the fiscal year. I observed the State Bond Commission's approval for the note issued.

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

The Sheriff's Office has two bonds outstanding at year end. I inspected debt covenants for both bonds, inspecting supporting documentation for the reserve balance and payments and agreed the reserve balances and payments to those required by debt covenants. No exceptions.

Other

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

There was one instance of misappropriations of public funds during the fiscal year. I reviewed supporting documentation and observed that the Sheriff's Office reported the misappropriation to the legislative auditor and the district attorney, as required. No exceptions.

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

The Sheriff's Office has posted the fraud, waste, and misappropriation notice as required by R.S. 24:523.1. No exceptions.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed the additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Lafourche Parish Sheriff's and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in blue ink, appearing to read "T. S. Kearns & Co.", is positioned above the typed name and date.

Thibodaux, Louisiana
December 30, 2019