

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Financial Report

Year Ended June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

The Honorable Gregory Champagne
St. Charles Parish Sheriff
Hahnville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Charles Parish Sheriff (the "Parish Sheriff") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the 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 an opinion on these financial statements based on our audit. Except as discussed in the following paragraph, 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 basic financial statements are free from material misstatement.

The St. Charles Parish Sheriff's Office has not reconciled the individual expense category balances in the Bonds and Fines Agency Funds with their ending cash balances as of June 30, 2019. Therefore, we were unable to reconcile the individual expense category balances with their ending cash balances as of June 30, 2019 in the Bond and Fines Agency Funds, totaling \$1,175,642. The effects on the financial statements of not reconciling the individual expense category balances cannot be reasonably determined.

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 opinion:

Opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the Sheriff's Office reconciled the individual expense category balances in the Bonds and Fines Agency Funds as described above, the financial statements referred to on the following pages present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Charles Parish Sheriff as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 and budgetary comparison information on page 52 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 supplemental 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 assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

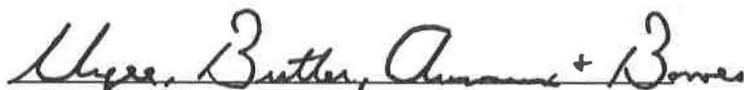
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the St. Charles Parish Sheriff's basic financial statements. The required supplemental information presented on pages 52-55 and the other supplementary information presented on pages 56-63 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Affidavit of Sheriff on page 68 is not a required part of the basic financial statements of the Sheriff but is additional information required by the State Statute.

The information presented as other supplemental information and the Affidavit of Sheriff are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019 on our consideration of the St. Charles Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Charles Parish Sheriff's internal control over financial reporting and compliance.



Harvey Louisiana
December 18, 2019

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Management's Discussion and Analysis (Unaudited)

Within this section of the St. Charles Parish Sheriff's (the Parish Sheriff) annual financial report, the Parish Sheriff's management provides this narrative discussion and analysis of the financial activities of the Parish Sheriff for the fiscal year ended June 30, 2019. The Parish Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The Parish Sheriff's assets exceeded its liabilities by \$9,476,490 (net position) for the fiscal year reported.

Total net position is comprised of the following:

- 1 Investment in capital assets, net of related debt of \$14,359,115 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase of capital assets.
- 2 Net position of \$275,400 is restricted by constraints imposed by lenders for debt service.
- 3 Unrestricted net position of (\$5,158,025) represents the portion available to maintain the Parish Sheriff's continuing obligations to citizens and creditors.

The Parish Sheriff's General Fund reported total ending fund balance of \$29,850,173 this year. This compares to the prior year ending fund balance of \$26,431,203 showing an increase of \$3,418,970 during the current year. The classification of the fund balance into various categories is described in Note M on page 26.

The unassigned fund balance is 71% of total General Fund expenditures which includes transfers to debt service fund and is 65% of General Fund revenues which compares to the prior year of 62% and 63%, respectively.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Parish Sheriff's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Parish Sheriff also includes in this report additional information to supplement the basic financial statements.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Management's Discussion and Analysis (Unaudited) (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Parish Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Parish Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of financial position presenting information that includes all of the Parish Sheriff's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Parish Sheriff as a whole is improving or deteriorating. Evaluation of the overall health of the Parish Sheriff would extend to other nonfinancial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Parish Sheriff's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Parish Sheriff's distinct activities or functions on revenues provided by the Parish Sheriff's taxpayers.

The government-wide financial statements present governmental activities of the Parish Sheriff that are principally supported by property taxes. The sole purpose of these governmental activities is public safety.

The government-wide financial statements are presented on pages 12 and 13 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Parish Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Parish Sheriff's most significant funds rather than the Parish Sheriff as a whole.

Governmental funds are reported in the fund financial statements and encompass the same function as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Parish Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Management's Discussion and Analysis (Unaudited) (Continued)

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 14 and 16 of this report.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies, deposits held pending court action, and the individual prison inmate accounts. The Parish Sheriff's fiduciary funds consist solely of Agency Funds.

The basic agency fund financial statement is presented on page 18 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 19 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Parish Sheriff's budget presentations. Budgetary comparison schedules are included as "required supplementary information" for the General Fund. These schedules demonstrate compliance with the Parish Sheriff's adopted and final revised budget. Required supplementary information can be found on pages 52-55 of this report.

In addition, more detailed information for the General Fund, Debt Service Fund and Agency Funds are presented as "other supplementary information" presented on pages 56 through 63 of this report.

FINANCIAL ANALYSIS OF THE PARISH SHERIFF AS A WHOLE (DOLLARS ARE IN THOUSANDS)

The Parish Sheriff implemented the new financial reporting model used in this report beginning with the fiscal year ended June 30, 2003. Over time, year-to-year financial information has been accumulated on a consistent basis and changes in net position may be observed and used to discuss the changing financial position of the Parish Sheriff as a whole.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Management's Discussion and Analysis (Unaudited) (Continued)

The Parish Sheriff's net position at fiscal year-end is \$9,476,490. The following table provides a summary of the Parish Sheriff's net position at June 30, 2019, 2018, and 2017.

Summary of Net Position

	Governmental Activities		Governmental Activities		Governmental Activities	
	2019	6	2018	% Total	2017	% Total
Assets:						
Current assets and other assets	\$ 40,527,016	58%	\$ 35,478,316	54%	\$ 38,222,119	55%
Capital assets	<u>29,599,115</u>	<u>42%</u>	<u>30,370,155</u>	<u>46%</u>	<u>31,510,096</u>	<u>45%</u>
Total assets	<u>70,126,131</u>	<u>100%</u>	<u>65,848,471</u>	<u>100%</u>	<u>69,732,215</u>	<u>100%</u>
Liabilities:						
Current liabilities	561,557	1%	710,078	1%	467,172	1%
Long-term liabilities	<u>60,088,084</u>	<u>99%</u>	<u>67,001,145</u>	<u>99%</u>	<u>74,820,827</u>	<u>99%</u>
Total liabilities	<u>60,649,641</u>	<u>100%</u>	<u>67,711,223</u>	<u>100%</u>	<u>75,287,999</u>	<u>100%</u>
Net position:						
Investment in capital assets, net of debt	14,359,115	152%	14,035,155	-753%	14,120,096	-254%
Restricted	275,400	3%	291,206	-16%	306,050	-6%
Unrestricted	<u>(5,158,025)</u>	<u>-55%</u>	<u>(16,189,113)</u>	<u>869%</u>	<u>(19,981,930)</u>	<u>360%</u>
Total net position, before restatement	<u>9,476,490</u>	<u>100%</u>	<u>(1,862,752)</u>	<u>100%</u>	<u>(5,555,784)</u>	<u>100%</u>
Prior period adjustment					<u>3,333,385</u>	
Total net position, after restatement					<u>(2,222,399)</u>	

The Parish Sheriff continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities at June 30, 2019 is 72.17 to 1 (49.96 to 1 for 2018, 81.82 to 1 for 2017).

Net position increased \$11,339,242 for governmental activities in fiscal year ending 2019 compared to \$359,647 increase for 2018 and \$2,106,681 decrease for 2017. Note the decrease in long-term liabilities. Post Retirements Benefit liability under GASB 75 (other post-employment healthcare) for 2019 is \$26.8 million compared to \$32.9 million for 2018 (\$34.6 million for 2017).

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Management's Discussion and Analysis (Unaudited) (Continued)

The following table provides a statement of the Parish Sheriff's condensed statement of activities and changes in net position.

	2019	Percentage	2018	Percentage	2017	Percentage
	Governmental	of Total	Governmental	of Total	Governmental	of Total
	Activities		Activities		Activities	
Revenues:						
Program:						
Charges for services/fines	\$ 10,096,692	22%	\$ 9,802,209	22%	\$ 8,835,862	21%
Operating and capital grants	70,589	0%	736,263	2%	233,392	1%
General:						
Property taxes	30,712,183	65%	27,165,959	61%	26,640,809	64%
Unrestricted state grants	3,646,787	8%	3,644,051	8%	3,526,830	8%
Other-related to pension transition	1,555,968	3%	2,244,534	5%	1,921,572	5%
Interest	510,158	1%	267,058	1%	131,963	0%
Miscellaneous	<u>521,745</u>	1%	<u>482,263</u>	1%	<u>546,680</u>	1%
Total Revenues	<u>47,114,122</u>	100%	<u>44,342,337</u>	100%	<u>41,837,108</u>	100%
Program expenses:						
Public safety	35,279,543	99%	43,518,549	99%	43,392,916	99%
Interest on Long Term Debt	<u>495,337</u>	1%	<u>464,141</u>	1%	<u>550,873</u>	1%
Total expenses	<u>35,774,880</u>	100%	<u>43,982,690</u>	100%	<u>43,943,789</u>	100%
Change in net position	11,339,242		359,647		(2,106,681)	
Prior period adjustment	0		0		3,333,385	
Beginning net position	<u>(1,862,752)</u>		<u>(2,222,399)</u>		<u>(3,449,103)</u>	
Ending net position	<u>\$ 9,476,490</u>		<u>\$ (1,862,752)</u>		<u>\$ (2,222,399)</u>	

GOVERNMENTAL REVENUES

The Parish Sheriff is heavily reliant on property taxes to support its operations. Property taxes provided 65% of the Parish Sheriff's total revenues. Unlike many other agencies, the Parish Sheriff receives no sales tax revenue. The Parish Sheriff's financial position has enabled him to earn \$510,158 in interest to support governmental activities. Also, note that program revenues cover 22% of governmental operating expenses. This means that the government's taxpayers and the Parish Sheriff's other general revenues fund 78% of its operations.

GOVERNMENTAL FUNCTIONAL EXPENSES

The primary function of the Parish Sheriff is public safety activities (activities of general law enforcement nature). Other major functions are execution of district court orders and Ad valorem tax collection. Of the total costs, depreciation on the buildings, equipment, and vehicles was \$2,140,083.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Management's Discussion and Analysis (Unaudited) (Continued)

FINANCIAL ANALYSIS OF THE PARISH SHERIFF'S FUNDS

Governmental funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$30,125,573. Of this year-end total, \$29,785,918 or 99% is unassigned indicating availability for continuing the Parish Sheriff activities. Legally restricted fund balances (i.e., the reserved fund balances) include: \$275,400 committed to the Sheriff's debt service.

MAJOR GOVERNMENTAL FUNDS

The General Fund is the Parish Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$3,418,970 from the prior year. This compares to prior fiscal years: 2018 decrease of \$161,028, 2017 increase of \$66,068.

The main contributing factor to the increased fund balance is:

- Increase in Ad Valorem Collection \$3,546,000.

The General Fund's ending fund balance was 62% of annual expenditures (including debt service fund transfers) compared to 62% in 2018, 67% in 2017, 69% in 2016, and 68% in 2015.

BUDGETARY HIGHLIGHTS

General Fund

The General Fund's original and final revenue budgets varied by 71%. An increase of \$1,794,590 original to final budget was realized compared to \$1,472,202 for the prior year 2018. Increase in grants, detail pay and interest were the primary reasons for the change for the fiscal year ending 2019.

The original and final expenditure budget varied by \$550,900 or a decrease of 1%. The change was due to decreased expenditure of computer software.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Management's Discussion and Analysis (Unaudited) (Continued)

Significant changes from original to final budget included:

Revenue		
• Increase – Ad Valorem		\$ 1,271,000
• Increase – Detail Pay		\$ 670,000
• Increase – Interest		\$ 258,000
• Decrease – Prisoner Housing		\$ (450,000)
Expenditure		
• Decrease – Hospitalization		\$ 175,000
• Decrease – Computer Software		\$ 100,000
• Decrease – Pension		\$ 200,000

Budgeted expenditures is less than actual expenditures by \$581,831. Final budget revenue exceeded actual revenue by \$353,137.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Parish Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2019, was \$29,599,115. See Note 7 on page 34 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Governmental Activities		
	2019	2018	2017
Depreciable assets:			
Buildings	\$ 33,830,216	\$ 33,830,216	\$ 33,830,216
Office equipment & furniture	12,474,731	12,027,084	11,678,501
Vehicles	8,208,819	7,780,008	7,988,800
Total depreciable assets	54,513,766	53,637,308	53,497,517
Less accumulated depreciation	25,815,345	24,167,847	22,888,116
Book value - depreciable assets	\$ 28,698,421	\$ 29,469,461	\$ 30,609,401
Book value - land	\$ 900,694	\$ 900,694	\$ 900,694
Total Capital Assets	\$ 29,599,115	\$ 30,370,155	\$ 31,510,095
Percentage depreciated	47%	45%	43%

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Management's Discussion and Analysis (Unaudited) (Continued)

At June 30, 2019, the depreciable capital assets for governmental activities were 45% depreciated, 2% change from the prior year.

The major capital additions were as follows:

Thirty Automobiles/Heavy Equipment	\$ 884,771
Cubicles	\$ 44,900
Twenty-Six Laptops	\$ 35,412

Long-term debt

At the end of the fiscal year, the Parish Sheriff had total certificates of indebtedness outstanding of \$15,240,000. The total amount of this debt is secured by General Fund ad valorem taxes. Other long term debt obligations include post employee benefits (OPEB) of \$26,769,654 which had a net decrease of \$6.2 million from the prior year. In addition, the net pension liability totaled \$12,599,554 as of June 30, 2019. See note 11 pages 46 and 48 for detailed information regarding long-term debt.

CONTACTING THE PARISH SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Parish Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Parish Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Greg Champagne, Sheriff, St. Charles Parish Sheriff and Tax Collector, P.O. Box 426, Hahnville, LA 70057.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Statement of Net Position
June 30, 2019

ASSETS	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 9,151,113
Investments	20,391,534
Due from other governmental units	683,821
Other receivables	318,603
Inventories	36,352
Capital assets, net	29,599,115
Prepaid expenses	<u>27,903</u>
Total assets	<u>60,208,441</u>
Deferred outflows of resources – pension related	<u>9,917,690</u>
LIABILITIES	
Current Liabilities:	
Accounts and other accrued payables	483,753
Interest payable	77,804
Non-current Liabilities:	
Due within one year	1,756,342
Due in more than one year	41,296,710
Pension liability	<u>12,599,554</u>
Total liabilities	<u>56,214,163</u>
Deferred inflows of resources – pension related	<u>4,435,478</u>
NET POSITION	
Net invested in capital assets, net of related debt	14,359,115
Restricted for debt service	275,400
Unrestricted	<u>(5,158,025)</u>
Total net position	<u>\$ 9,476,490</u>

See accompanying notes to basic financial statements.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Statement of Activities
Year Ended June 30, 2019

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Public Safety	\$ (35,279,543)	\$ 10,096,692	\$ 70,589	\$ (25,112,262)
Interest on long-term debt	<u>(495,337)</u>	<u>-</u>	<u>-</u>	<u>(495,337)</u>
Total	\$ <u>(35,774,880)</u>	\$ <u>10,096,692</u>	\$ <u>70,589</u>	<u>(25,607,599)</u>
General revenues:				
Taxes -				
Property taxes levied for general purposes				30,712,183
Grants and contributions not restricted to specific programs				3,646,787
Other – related to pension transition				1,555,968
Video poker				334,674
Interest earnings				510,158
Gain on disposition of capital assets				81,029
Miscellaneous				<u>106,042</u>
Total general revenues				<u>36,946,841</u>
Change in net position				11,339,242
Net position at beginning of year				(1,862,752)
Net position at end of year				\$ <u>9,476,490</u>

See accompanying notes to basic financial statements.

FUND FINANCIAL STATEMENTS

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Balance Sheet – Governmental Funds
June 30, 2019

ASSETS

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 8,875,713	\$ 275,400	\$ 9,151,113
Investments	20,391,534	-0-	20,391,534
Receivables:			
Due from other governmental units	683,821	-0-	683,821
Other	318,603	-0-	318,603
Inventory	36,352	-0-	36,352
Prepaid expenses	<u>27,903</u>	<u>-0-</u>	<u>27,903</u>
Total assets	\$ <u>30,333,926</u>	\$ <u>275,400</u>	\$ <u>30,609,326</u>

LIABILITIES AND FUND BALANCE

Liabilities:			
Accounts and other accrued payables	\$ <u>483,753</u>	\$ <u>-0-</u>	\$ <u>483,753</u>
Total liabilities	<u>483,753</u>	<u>-0-</u>	<u>483,753</u>
Fund balance:			
Nonspendable	64,255	-0-	64,255
Restricted for debt service	-0-	275,400	275,400
Unassigned	<u>29,785,918</u>	<u>-0-</u>	<u>29,785,918</u>
Total fund balance	<u>29,850,173</u>	<u>275,400</u>	<u>30,125,573</u>
Total liabilities and fund balance	\$ <u>30,333,926</u>	\$ <u>275,400</u>	\$ <u>30,609,326</u>

See accompanying notes to basic financial statements.

ST. CHARLES PARISH SHERIFF
HAHNVILLE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2019

Total fund balances for governmental funds at June 30, 2019 \$ 30,125,573

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

The deferred outflows of contributions for the Sheriff's Pension and Relief Fund are not available resources and, therefore, are not reported in the governmental funds 9,917,690

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

Land and buildings	34,730,910	
Vehicles	8,208,819	
Equipment and office furnishings	<u>12,474,731</u>	
	55,414,460	
Less accumulated depreciation	<u>25,815,345</u>	
Capital assets, net		29,599,115

Long - term liabilities and other liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Net pension liability	(12,599,554)	
Tax bonds	(15,240,000)	
Compensated absences payable	(1,043,398)	
Accrued interest payable	(77,804)	
Net other post employee benefits (OPEB) liability	<u>(26,769,654)</u>	(55,730,410)

The deferred inflows of contributions for the Sheriff's Pension and Relief Fund are not payable from current expendable resources and, therefore, are not reported in the governmental funds (4,435,478)

Total net position of governmental activities at June 30, 2019 \$ 9,476,490

See accompanying notes to basic financial statements.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Revenues:			
Ad valorem property taxes	\$ 30,712,183	\$ -0-	\$ 30,712,183
Intergovernmental:			
Federal and state grants	70,589	-0-	70,589
State revenue sharing - net	381,410	-0-	381,410
State supplemental pay	1,358,525	-0-	1,358,525
Parish supplemental pay	1,906,852	-0-	1,906,852
Video poker	334,674	-0-	334,674
Fees, charges, and commissions for services:			
Civil and criminal fees	1,230,876	-0-	1,230,876
Court attendance	20,060	-0-	20,060
Feeding and keeping prisoners	5,537,436	-0-	5,537,436
Transporting prisoners	71,136	-0-	71,136
Paid details	2,129,417	-0-	2,129,417
Vehicle use fees	184,876	-0-	184,876
Telephone commissions and other	922,891	-0-	922,891
Interest income	502,169	7,989	510,158
Miscellaneous:			
Contraband	39,632	-0-	39,632
Donations	32,018	-0-	32,018
Other	11,836	-0-	11,836
Unclaimed checks	22,556	-0-	22,556
Total revenues	<u>45,469,136</u>	<u>7,989</u>	<u>45,477,125</u>
Other financing sources:			
Transfers from other funds	45,209	1,644,346	1,689,555
Sale of assets	81,325	-0-	81,325
Total revenues and other financing sources	<u>45,595,670</u>	<u>1,652,335</u>	<u>47,248,005</u>
Expenditures:			
Current:			
Public safety:			
Personnel services and related benefits	31,992,739	-0-	31,992,739
Contracted services	1,969,515	-0-	1,969,515
Operation and maintenance	5,200,851	-0-	5,200,851
Debt service:			
Principal retirement	-0-	1,095,000	1,095,000
Interest and other charges	-0-	573,141	573,141
Capital outlay	1,369,249	-0-	1,369,249
Total expenditures	<u>40,532,354</u>	<u>1,668,141</u>	<u>42,200,495</u>
Other financing uses:			
Transfer to other funds	1,644,346	-0-	1,644,346
Total expenditures and other financing uses	<u>42,176,700</u>	<u>1,668,141</u>	<u>43,844,841</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	3,418,970	(15,806)	3,403,164
Fund balances at beginning of year	<u>26,431,203</u>	<u>291,206</u>	<u>26,722,409</u>
Fund balances at end of year	<u>\$ 29,850,173</u>	<u>\$ 275,400</u>	<u>\$ 30,125,573</u>

See accompanying notes to basic financial statements.

ST. CHARLES PARISH SHERIFF
HAHNVILLE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Government-Wide Statement of Activities
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 of the Governmental Fund		\$ 3,403,164
Amounts reported for governmental activities in the government-wide statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the government - wide 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	\$1,369,249	
Depreciation expense for the year ended June 30, 2019	<u>(2,140,083)</u>	(770,834)
Cost less accumulated depreciation on capital assets sold		(206)
Tax Bond principal retirement not considered an expense on Statement of Activities		1,095,000
Difference between interest on long - term debt on modified accrual basis versus interest on long - term debt on an accrual basis		(77,804)
Excess of compensated absences earned over compensated absences used		176,257
Other income related to implementation of pension liability		(1,555,968)
Other post employee benefits (OPEB) liability		<u>9,069,633</u>
Total change in net position of Governmental Activities at June 30, 2019		<u>\$ 11,339,242</u>

See accompanying notes to basic financial statements.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Agency Funds
Statement of Fiduciary Net Position
June 30, 2019

	Total Agency Funds
ASSETS	
Cash and cash equivalents	\$ 3,061,617
Investments	<u>8,235</u>
Total assets	\$ <u>3,069,852</u>
LIABILITIES	
Due to General Fund	\$ 21,525
Due to taxing bodies, prisoners and others	<u>3,048,327</u>
Total liabilities	<u>3,069,852</u>
NET POSITION	
Net position	\$ <u><u>-0-</u></u>

See accompanying notes to basic financial statements.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements

Introduction

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

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

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

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

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

(1) Summary of Significant Accounting Policies

A. Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, activities, etc., that are controlled by the Sheriff as an independently elected parish official. There are no component units included or required to be included as part of the financial reporting entity. The Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursements of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of the local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Sheriff.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

The accompanying basic financial statements of the St. Charles Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

During the year ended June 30, 2015 the St. Charles Parish Sheriff adopted the provisions of GASB No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (which is shown on page 27).

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, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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 the recipients of services offered by the Parish 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.

Fiduciary Funds of the Parish Sheriff (which are shown on pages 60-62) are excluded from the presentation of the Government-Wide Financial Statements.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain his financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff's functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund might be considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. All of the governmental funds of the Sheriff are considered to be major funds. The funds of the Sheriff are described in the following paragraph.

Governmental Funds

General Fund - This fund is the primary operating fund of the Sheriff and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Sheriff's policy.

Debt Service Fund - This fund is used to account for the accumulation of resources for the payment of bond principal and interest.

Capital Projects Fund - This fund is used to account for the acquisition and construction of major capital facilities.

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 refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

C. Measurement Focus/Basis of Accounting - Continued

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reporting using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

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

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

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

Expenditures

The Sheriff's primary expenditures include salaries 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.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

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.

Deferred Inflows/Outflows of Resources

The Sheriff reports deferred inflows/outflows of resources when potential revenue or expenditures do not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received by the Sheriff before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue/expenditure recognition criteria are met deferred inflows/outflows of resources are removed and revenue/expenditure are recognized.

D. Budgets

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

1. The chief civil deputy prepares a proposed budget and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted on May 29, 2018 and as finally amended on June 6, 2019.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

E. Cash and Cash Equivalents

Cash includes cash on hand, 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. Under state law, the sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

F. Investments

Under state law, the Sheriff may invest in United States bonds, treasury notes, treasury bills, any other federally insured investment or Louisiana Asset Management Pool, Inc. (LAMP). LAMP operates under Louisiana law as a cooperative endeavor to assist local Louisiana governmental entities in the investment of cash balances. LAMP invests in obligations issued by the U.S. Government, its agencies, and instrumentalities. LAMP is subject to regulatory oversight of the state treasurer and its board of directors. Audited financial statements are available from LAMP.

Investments which mature in 90 days or less from the date acquired are classified as cash equivalents. Investments are stated at cost or at amortized cost which approximates fair value.

G. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

H. Inventory

The inventory is stated at cost, which is determined by the first-in, first-out method. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed or used. The reported inventory is equally offset by a fund balance reserve which indicates that it does not constitute an "available spendable resource" even though it is a component of total assets.

I. Prepaid Items

Prepaid balances are for payments made by the Sheriff in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

J. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives.

<u>Asset Class</u>	<u>Estimated Useful Lives in Years</u>
Buildings	20-50
Vehicles	5
Equipment and office furnishings	5-7

K. Compensated Absences

Employees of the Sheriff's office earn from 4 to 20 hours per month of vacation leave depending on total years of service and number of hours worked. The maximum vacation leave carryover allowed on September 1st of each year is 120 hours unless otherwise approved. Unused vacation leave is payable upon termination of employment. Employees earn from 6 to 10 hours per month of sick leave depending on total years of service. Sick leave may be accumulated; however, if an employee resigns, or is terminated, the accumulated sick leave is forfeited. If an employee retires with 15 or more years of service with the St. Charles Parish Sheriff's Office and meets the retirement requirements of the Louisiana Sheriff's Pension and Relief Fund, the employee may apply for Terminal Leave. Terminal Leave is a period of time immediately prior to retirement and is compensated at the rate of the employee's current salary. Terminal Leave is credited at 50% of the employee's sick leave balance up to a maximum of 1,040 hours. Employees who retire and do not meet the eligibility requirements for Terminal Leave forfeit the accumulated sick leave.

In lieu of payment for overtime work, some non-enforcement employees (principally clerical) accrue compensatory leave. The limitation on the amount of compensatory leave which may be accrued is 240 hours in accordance with The Fair Labor Standards Act. Employees who exceed this limit are paid overtime. Upon termination of employment, payment is made for unused compensatory leave.

At June 30, 2019, the accrued accumulated and vested vacation and compensatory leave was \$1,043,398.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

L. Net Position

Net position comprise the various net earnings from revenues and expenses. Net position are classified in the following components:

- a. Invested in capital assets, net of related debt – 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 assets and deferred outflows of resources less liabilities and deferred inflows of resources (net position) with constraints placed on the use either by (1) external groups such as creditors (such as debt covenants), 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 “restricted” or “invested in capital assets, net of related debt.”
- d. The Sheriff applies GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*”. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent.

M. Fund Equity

In the fund financial statements, governmental fund equities are classified in the following categories: *Nonspendable* – amounts that are not expected to be converted to cash; *Restricted* – amounts that may be used only for a specific purpose because of constitutional or externally imposed constraints; and *Unassigned* – the residual equity which is available for future appropriation and use.

N. 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.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

O. 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.

P. Pension and Relief Fund

The Sheriff's Pension and Relief Fund (Fund) is 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 Sheriffs' Association and the Sheriff's Pension and Relief Fund's office.

The Sheriff's Pension and Relief Fund prepares its employer schedules 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 services. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

Basis of Accounting:

The Sheriffs Pension and Relief Fund's employer schedules were prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of June 30, 2019.

During the year ended June 30, 2014, the Fund adopted the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*. GASB Statement No. 67 established new standards of financial reporting for defined benefit pension plans. Significant changes included specifying the approach of contributing entities to measure pension liabilities for benefits provided through the pension plan. The provisions of this statement were retroactively applied to the fiscal year ended June 30, 2013.

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.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

P. Pension and Relief Fund - continued

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.

Q. Post-Retirement Health Care and Life Insurance Benefits

In adopting the requirements of GASB Statement No. 75 during the year ended June 30, 2019, the Sheriff recognizes the cost of postemployment healthcare and life insurance benefits in the year when employee services are received, recognizes a liability for OPEB obligations, known as the net OPEB liability, on the statement of net position, and provides information useful in assessing potential demands on the Sheriff's future cash flows. Changes in the net OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

(2) Cash and Cash Equivalents

At June 30, 2019, the sheriff had cash and cash equivalents (book balances) totaling \$11,937,330 as follows:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Interest-bearing demand deposits	\$ 8,871,613	\$ 3,045,932	\$ 11,917,545
Non-interest-bearing demand deposits	-0-	15,685	15,685
Cash on hand (petty cash and change funds)	<u>4,100</u>	<u>-0-</u>	<u>4,100</u>
Total	<u>\$ 8,875,713*</u>	<u>\$ 3,061,617</u>	<u>\$ 11,937,330</u>

*(\$8,875,713 plus debt service cash equivalents of \$275,400 equals \$9,151,113 for governmental activities total)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2019 the sheriff had \$13,103,504 in deposits (collected bank balances). These deposits were secured from risk by \$250,000 of federal deposit insurance (F.D.I.C.) and \$12,762,361 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3), except as described below:

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(2) Cash and Cash Equivalents - continued

As of June 30, 2019, the sheriff had an account at a local bank totaling \$107,244 of which all was secured by F.D.I.C. insurance.

Even though the pledged securities are considered uncollateralized (Category 3), under the provisions of GASB Statement 3, Louisiana Revised Statutes 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand.

(3) Investments

At June 30, 2019 the Sheriff's investments totaled \$20,399,769 as follows:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
LAMP, at amortized cost	\$ 20,034,290	\$ -0-	\$ 20,034,290
Time deposits, at cost	250,000	8,235	258,235
Other deposits, at cost	<u>107,244</u>	<u>-0-</u>	<u>107,244</u>
 Total	 <u>\$ 20,391,534</u>	 <u>\$ 8,235</u>	 <u>\$ 20,399,769</u>

The Sheriff can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. The Sheriff's investments are categorized to give an indication of the level of risk assumed by the Sheriff at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Sheriff or his agent in the Sheriff's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the Sheriff's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the Sheriff's name.

In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by the GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc.; a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a-7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(3) Investments – continued

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-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 Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- 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.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- 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.

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purpose of determining participants' shares, investments are valued at amortized cost. GASB Statement No. 31 requires that investments, that fall within the definitions of said statement, be recorded at fair value. However, Statement No. 31 also states that investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange and Commission's (SEC's) Rule 2a-7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a-7.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(4) Ad Valorem Property Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem property taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the parish government in June and are actually billed to the taxpayers by the Sheriff in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the tax assessor of St. Charles Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions. Ad valorem property taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2019 law enforcement taxes applicable to the Sheriff's General Fund were levied at the rate of 21.58 mills on property with assessed valuations totaling \$1,524,310,697.

The activity of the tax collections and disbursements are shown in the supplemental information section of this report under "Agency Funds." The Tax Collector Agency Fund as of year end contained \$135,848 of "unsettled balances."

The unsettled balances of \$135,848 due to taxing bodies and others at June 30, 2019 consist of \$8,230 in protested taxes, \$127,327 in prior years taxes, and \$291 in interest.

The Schedule of Collections, Distributions and Unsettled Balances for the year ended June 30, 2019 is as follows:

Unsettled balances at July 1, 2018	\$ <u>109,398</u>
Collections:	
Ad valorem property taxes	168,176,289
State revenue sharing (See note below)	1,030,202
Parish occupational licenses	1,599,302
Interest earned	94,375
Tax notices, costs, etc.	22,696
Other	<u>270,348</u>
Total collections	<u>171,193,212</u>
Total available for distributions	<u>171,302,610</u>
Distributions:	
St. Charles Parish:	
Assessor	2,050,142
Clerk of Court	8,405
Council	42,282,302
Hospital Service District	7,830,828
School Board	77,460,269
Sheriff	31,355,324
State of Louisiana:	
Lafourche Levee District	2,644,412
State Treasury - Pontchartrain Levee District	2,478,811
Refunds and redemptions	386,075
Pension funds	<u>4,670,194</u>
Total distributions	<u>171,166,762</u>
Unsettled balances at June 30, 2019	\$ <u>135,848</u>

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(4) Ad Valorem Property Taxes - continued

The Schedule of Uncollected Taxes for the year ended June 30, 2019 is as follows:

<u>AD VALOREM TAXES-CURRENT YEAR</u>	<u>UNCOLLECTED PER RECORD</u>
Assessor's Tax	\$ 2,262
Fire Protection M & O	2,326
Parish Courthouse Bonds	5,085
Hospital Bonds	3,978
Hospital Bonds	1,652
Hospital Bonds	706
Hospital Bonds	1,363
Public Hospital M & O	1,347
Parish Health Unit	978
Law Enforcement I	28,552
Mosquito Control	1,732
Council on Aging	1,540
Library M & O	6,977
Parish Recreation I	4,748
Public Sewerage Bonds	898
Public Roads	9,464
Road Lighting District	1,620
School Bonds	14,645
School Const. & Improv	7,892
School Maintenance	66,904
E-911 Telephone Service M & O	1,557
Lafourche Basin Levee	4,418
Pontchartrain Levee	1,638
Law Enforcement II	6,063
Levees & Protection	6,528
ARC	1,075
Waste Water Facility	2,632
Grass Fee	159
Total Uncollected	<u>\$ 188,739</u>

The Schedule of Categories of Uncollected Taxes for the year ended June 30, 2019 is as follows:

<u>Total</u>	<u>LTC</u>	<u>Refunds</u>	<u>Refunds</u>
<u>Uncollected</u>	<u>Reductions</u>	<u>Refunds</u>	<u>To Process</u>
\$188,739	\$206,153	\$(101,153)	\$83,739

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(4) Ad Valorem Property Taxes - continued

Note - The state revenue sharing funds provided by Act 641 of 2006, which were received during the year ended June 30, 2019 were deposited in the Tax Collector Agency Fund and allocated among the taxing bodies as follows:

St. Charles Parish:	
Assessor	\$ 31,655
Community Service	30,000
Council	182,969
Hospital Service District	24,022
School Board	277,937
Sheriff:	
Law Enforcement District	278,386
Commission on collection	103,024
Lafourche Basin Levee District	43,890
Pension Funds	19,111
Pontchartrain Levee District	<u>39,208</u>
Total	<u>\$ 1,030,202</u>

(5) Due From Other Governmental Units

Amounts due from other governmental units at June 30, 2019, all of which were subsequently collected, consisted of the following:

New Orleans Aviation Board	\$ 108,733
St. Charles Parish Council	508,748
State of Louisiana	54,617
U.S. Treasury	<u>11,723</u>
	<u>\$ 683,821</u>

(6) Other Receivables

Other receivables are comprised of the following, all of which were collected subsequent to June 30, 2019.

Due from Fiduciary Funds	\$ 84,698
Accrued interest	2,952
Other accrued revenues	<u>230,952</u>
	<u>\$ 318,602</u>

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(7) Capital Assets

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

<u>Governmental Activities</u>	Balance, July 1, 2018	Additions	Reductions	Balance, June 30, 2019
Land	\$ 900,694	\$ -0-	\$ -0-	\$ 900,694
Buildings	33,830,216	-0-	-0-	33,830,216
Vehicles	7,780,008	884,771	455,960	8,208,819
Equipment and office furnishings	<u>12,027,084</u>	<u>484,478</u>	<u>36,831</u>	<u>12,474,731</u>
Total	<u>54,538,002</u>	<u>1,369,249</u>	<u>492,791</u>	<u>55,414,460</u>
Less accumulated depreciation:				
Buildings	8,315,323	854,097	-0-	9,169,420
Vehicles	5,663,282	773,968	455,960	5,981,290
Equipment and office furnishings	<u>10,189,242</u>	<u>512,018</u>	<u>36,625</u>	<u>10,664,635</u>
Total	<u>24,167,847</u>	<u>2,140,083</u>	<u>492,585</u>	<u>25,815,345</u>
Capital assets, net	<u>\$ 30,370,155</u>	<u>\$ (770,834)</u>	<u>\$ 206</u>	<u>\$ 29,599,115</u>

Depreciation expense for the years ended June 30, 2019 and 2018 were \$ 2,140,083 and \$2,178,967, respectively.

(8) Pension and Deferred Compensation Plans

Employees of the St. Charles Parish Sheriff participate in a pension plan and a deferred compensation plan, which is described in the following sections. The Sheriff's office implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date- an Amendment of GASB 68. These standards require the Sheriff's office to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

- A. PLAN DESCRIPTION: The St. Charles Parish Sheriff contributes to the Sheriffs' Pension and Relief Fund, a cost-sharing multiple employer defined benefit pension plan administered by the Sheriffs' Pension and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits for 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.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Pension and Deferred Compensation Plans – Continued

A. PLAN DESCRIPTION – (Continued)

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.

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.

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

Disability Benefits: A member is eligible to receive disability benefits if he has at least ten years of creditable service when a non-service related disability is incurred; there are no service requirements for 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 disabled receive 75% of the amount payable for total disability.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Pension and Deferred Compensation Plans – Continued

A. PLAN DESCRIPTION – (Continued)

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

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

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Pension and Deferred Compensation Plans – Continued

A. PLAN DESCRIPTION – (Continued)

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 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. There was no cost of living increase for its fiscal year ended June 30, 2019.

B. EMPLOYER CONTRIBUTIONS:

According to state statute, contributions requirements for all employers are actuarially determined each year. For the year ending June 30, 2019, the actual employer contribution rate was 12.25%.

In accordance with state statute, the Fund receives ad valorem taxes, insurance premium taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special finding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2019.

C. SCHEDULE OF EMPLOYER ALLOCATIONS:

The schedule of employer allocations reports the required projected employer contributions in addition to the employer allocation percentage. The required projected employer contributions are used to determine the proportionate relationship of each employer to all employers of Sheriffs' 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.

The allocation method used in determining each employer's proportion was based on the employer's projected contribution effort to the plan for the next fiscal year as compared to the total of all employers' projected contribution effort to the plan for the next fiscal year. The employers' projected contribution effort was actuarially determined by the Fund's actuary, G.S. Curran & Company.

D. SCHEDULE OF PENSION AMOUNTS BY EMPLOYEE:

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability, the various categories of deferred outflows of resources, the various categories of deferred inflows of resources, and the various categories of pension expense. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocations.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Pension and Deferred Compensation Plans – Continued

E. ACTUARIAL METHODS AND ASSUMPTIONS:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net position liability of all the entire Fund's employers as of June 30, 2019 are as follows:

	2019
Total Pension Liability	\$ 3,998,832,755
Plan Fiduciary Net Position	3,615,367,904
Total Net Pension Liability	\$ 383,464,851

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 are as follows:

Valuation Date	July 1, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.25%, net of investment expense
Projected Salary Increases	5.5% (2.60% Inflation, 2.90% Merit)
Mortality Rates	RP-2000 Disabled Lives Mortality Table RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for Active Members, Healthy Annuitants and Beneficiaries
Expected Remaining Service Lives	2018 – 6 years 2017 – 7 years 2016 – 7 years 2015 – 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 to Trustees as they were deemed not to be substantively automatic.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Pension and Deferred Compensation Plans – Continued

E. ACTUARIAL METHODS AND ASSUMPTIONS:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity securities	62%	4.3%
Bonds	23%	0.7%
Alternative Investments	15%	0.7%
Total	100%	5.7%
Inflation		2.5%
Expected Arithmetic Nominal Return		8.2%

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

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

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Pension and Deferred Compensation Plans – Continued

F. SENSITIVITY TO CHANGES IN DISCOUNT RATE:

The following presents the net pension liability of all of the participating employers calculated using the discount rate of 7.25%, as well as what the employers' net pension liability 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.

	Changes in Discount Rate:		
	2019		
	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$867,832,205	\$383,464,851	\$(24,317,052)

G. CHANGE IN NET PENSION LIABILITY:

The changes in the net position liability for the year ended June 30, 2019 were recognized in the current reporting period except as follows:

Difference between Expected and Actual Experience:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the 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 pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources as of June 30, 2019 as follows:

	Deferred <u>Outflows</u>	Deferred <u>Inflows</u>	Pension Expense <u>(Benefit)</u>	June 30, 2019	
				Deferred <u>Outflows</u>	Deferred <u>Inflows</u>
2018	\$ -	\$ 63,618,781	\$(10,603,130)	\$ -	\$ 53,015,651
2017	-	25,336,453	(4,222,742)	-	21,113,711
2016	-	21,580,865	(4,316,173)	-	17,264,692
2015	-	12,115,178	(4,038,393)	-	8,076,785
2014	-	16,347,530	(8,173,766)	-	8,173,764
			Totals	\$ -	\$107,644,603

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Pension and Deferred Compensation Plans – Continued

G. CHANGE IN NET PENSION LIABILITY:

Differences between Projected and Actual Investment Earnings:

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred inflow of resources as of June 30, 2019 as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2019		
				Deferred Outflows	Deferred Inflows	Net Deferred Inflows
2018	\$ -	\$ 37,881,375	\$ (7,576,275)	\$ -	\$ 30,305,100	\$ (30,305,100)
2017	-	143,144,058	(35,786,014)	-	107,358,044	(107,358,044)
2016	139,706,380	-	46,568,794	93,137,586	-	93,137,586
2015	43,523,749	-	21,761,874	21,761,875	-	21,761,875
2014	-	46,301,325	(46,301,325)	-	-	-
Totals				<u>\$114,899,461</u>	<u>\$137,663,144</u>	<u>\$ (22,763,683)</u>

Changes of Assumptions or Other Inputs:

Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the 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 pensions through the pension plan. Changes of assumptions or other inputs resulted in a deferred outflow of resources as of June 30, 2019 as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2019	
				Deferred Outflows	Deferred Inflows
2018	\$ 65,732,028	\$ -	\$10,955,338	\$ 54,776,690	\$ -
2017	35,960,349	-	5,993,391	29,966,958	-
2016	28,106,222	-	5,621,244	22,484,978	-
2015	393,374	-	131,124	262,250	-
2014	11,733,466	-	5,866,734	<u>5,866,732</u>	-
Totals				<u>\$113,357,608</u>	<u>\$ -</u>

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Pension and Deferred Compensation Plans – Continued

H. CONTRIBUTIONS – PROPORTIONATE SHARE:

Differences between contributions remitted to the Fund and the employer's proportionate share are recognized in pension expense using the 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.

At June 30, 2019, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance at July 1, 2018	\$ 8,189,114	\$ 2,927,105
Reversal of prior year entry for contributions subsequent to measurement period	(1,538,524)	-0-
Change in deferred inflows from prior year	-0-	1,508,373
Amortizations of deferred outflows	(93,846)	-0-
Contributions subsequent to the measurement date	3,360,946	-0-
Total	\$ 9,917,690	\$ 4,435,478
 Proportionate Share of Employer Contributions	 \$2,885,846	
Proportionate Share of Non-Employer Contributions	\$1,341,402	

Schedule of Remaining Amortization

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
\$799,859	\$311,268	\$(1,100,376)	\$75,450	\$228,346	\$314,547

I. ESTIMATES:

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenue and expenses. Accordingly, actual results may differ from estimated amounts.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Pension and Deferred Compensation Plans – Continued

J. FUNDING POLICY:

Plan members are required to contribute 10.25% (of which the employee contributes 7% and the Sheriff contributes 3.25%) of their annual covered salary. In addition, the St. Charles Parish Sheriff is also required to contribute at an actuarially determined rate. The actuarially determined rate for the year ended June 30, 2019 was 12.25% of annual covered payroll. The contribution requirements of plan members and the St. Charles Parish Sheriff are established and may be amended by the Sheriffs' Pension and Relief Fund. The St. Charles Parish Sheriff's total contributions to the retirement plan for the years ended June 30, 2019, 2018 and 2017 were \$3,360,946, \$3,618,420, and \$3,666,085, respectively.

K. DEFERRED COMPENSATION PLAN:

During 2001, the Sheriff's office adopted for its full time employees an I.R.C. 457 Deferred Compensation Plan. The Plan is unqualified, and allows for matching contributions by the Sheriff of up to \$8,750 per employee per year. Matching amounts are considered taxable to the employee for purposes of social security and medicare, but not for federal or state taxation. Amounts expended by the Sheriff's office for matching contributions for the years ended June 30, 2019, 2018 and 2017 were \$749,318, \$825,305 and \$703,937, respectively.

L. RETIREMENT FUND AUDIT REPORT:

The Sheriffs' Pension and Relief Fund has issued a stand-alone audit report on their financial statements for the year ended June 30, 2019. Access to the report and their summary report can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov. The report may also be obtained by writing to the Sheriff's Pension and Relief Fund, 6554 Florida Blvd. Suite 215, Baton Rouge, LA 70806.

(9) Post-retirement Health Care and Life Insurance Benefits

Plan description - The St. Charles Parish Sheriff's Office (the Sheriff) provides certain continuing health care and life insurance benefits for its retired employees. The St. Charles 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 Governmental Accounting Standards board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions – Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria – Defined Benefit*.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(9) Post-retirement Health Care and Life Insurance Benefits - Continued

Benefits Provided – Medical, dental and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical and dental coverage for the retiree only (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: Hired before July 1st, 2010: 30 years of service at any age; or, age 55 and 15 years of service. Hired on or after July 1st, 2010: 100% coverage for 30 years of service at any age; or, 75% coverage for age 55 and 25 years of service, or, 50% coverage for age 55 and 20 years of service.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

Employees covered by benefit terms – At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	92
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	396
	488

Total OPEB Liability

The Sheriff's total OPEB liability of \$26,769,654 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2019 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	3.87% annually (Beginning of Year to Determine ADC)
	3.50% annually (As of End of Year Measurement Date)
Healthcare cost trend rate	Flat 5.5% annually

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2019, the end of the applicable measurement period.

Mortality rates were based on the SOA RP-2000 Combined Mortality Table.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2019.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(9) Post-retirement Health Care and Life Insurance Benefits - Continued

Changes in the Total OPEB Liability

Balance at June 30, 2018	\$ <u>32,936,580</u>
Changes for the year:	
Service cost	750,146
Interest	1,292,492
Differences between expected and actual experience	(6,174,939)
Changes in assumptions	(1,192,270)
Benefit payments and net transfers	<u>(842,355)</u>
Net changes	<u>(6,166,926)</u>
 Balances at June 30, 2019	 \$ <u>26,769,654</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 (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	<u>1.0% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1.0% Increase (4.50%)</u>
Total OPEB liability	<u>\$ 31,237,096</u>	<u>\$ 26,769,654</u>	<u>\$ 23,186,489</u>

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 higher (6.5%) than the current healthcare trend rates:

	<u>1.0% Decrease (4.5%)</u>	<u>Current Trend (5.5%)</u>	<u>1.0% Increase (4.5%)</u>
Total OPEB liability	<u>\$ 23,900,838</u>	<u>\$ 26,769,654</u>	<u>\$ 30,350,383</u>

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 \$1,609,272. At June 30, 2019, the Sheriff reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (5,811,707)
Changes in assumptions	<u> </u>	<u>(1,122,136)</u>
Total	<u>\$ -</u>	<u>\$ (6,933,846)</u>

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(9) Post-retirement Health Care and Life Insurance Benefits - Continued

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

<u>Years ending June 30:</u>	
2020	(433,365)
2021	(433,365)
2022	(433,365)
2023	(433,365)
2024	(433,365)
Thereafter	(4,767,018)

(10) Changes in Agency Balances

A summary of changes in the total liabilities of the various agency fund follows:

	<u>Civil Fund</u>	<u>Tax Collector Fund</u>	<u>Bonds and Fines Fund</u>	<u>Prison Inmate Fund</u>	<u>Work Release Fund</u>	<u>Asset Forfeiture Fund</u>
Balances, July 1, 2018	\$ 53,207	\$ 109,398	\$ 2,791,310	\$ 142,549	\$ 35,944	\$ -0-
Additions	1,622,386	171,193,212	5,598,886	873,217	448,266	50,949
Reductions	<u>(1,589,556)</u>	<u>(171,166,762)</u>	<u>(5,764,821)</u>	<u>(845,832)</u>	<u>(441,052)</u>	<u>41,449</u>
Balances, June 30, 2019	<u>\$ 86,307</u>	<u>\$ 135,848</u>	<u>\$ 2,625,375</u>	<u>\$ 169,934</u>	<u>\$ 43,158</u>	<u>\$ 9,500</u>

(11) Long-Term Debt

A) Tax Bonds Outstanding

In July 2009, the Sheriff sold \$15,620,000 of tax bonds (Series 2009 A & B) of which \$8,823,000 was used for refunding the Series 1999 revenue bonds that were issued in 1999 for construction of the Correctional Facility. The balance of the proceeds from the Series 2009 A & B bonds was used for the construction of a Law Enforcement Complex which was completed during the year ended June 30, 2011. Interest rate on the Series 2009 A & B bonds ranges from 2.00% to 4.10%.

On September 1, 2016 the Series A & B tax bonds were partially refunded in the amount of \$8,875,000, with a discount of \$75,000 to leave a remaining balance of \$2,620,000.

Payments from inception to maturity on March 1, 2020 are as follows:

<u>Date</u>	<u>Description</u>	<u>Principal</u>	<u>Principal Balance</u>	<u>Interest</u>
6/30/16	Beginning Balance	N/A	\$11,570,000	N/A
9/01/16	Refunding	\$8,875,000	2,695,000	N/A
9/01/16	Discount	75,000	2,620,000	\$257,408
3/01/17	Payment	695,000	1,925,000	51,233
3/01/18	Payment	715,000	1,210,000	76,750
3/01/19	Payment	745,000	465,000	48,865
3/01/20	Payment	465,000	-0-	19,065

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(11) Long-Term Debt - Continued

On September 1, 2016, as mentioned above, the 2016 Tax Refunding Bond Issue was completed in the amount of \$8,875,000 for the purpose of refunding the Series A & B tax bonds. The annual debt service requirements on the 2016 Tax Refunding Bond Issue for the next five years and thereafter in four and five year increments to the final maturity date on March 1, 2029 follows:

Year ending <u>June 30</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2020	288,700	345,000	633,700
2021	276,950	830,000	1,106,950
2022	260,150	850,000	1,110,150
2023	238,675	865,000	1,103,675
2024	212,350	890,000	1,102,350
2025-2027	427,800	2,870,000	3,297,800
2028-2029	<u>85,100</u>	<u>2,105,000</u>	<u>2,190,100</u>
Total	<u>\$ 1,789,725</u>	<u>\$ 8,755,000</u>	<u>\$ 10,544,725</u>

In January 2014, the Sheriff sold \$7,500,000 of tax bonds (Limited Tax Bonds Series 2014) which were being used for construction of the Law Enforcement Training Center. The interest rate on the Limited Tax Bonds Series 2014 ranges from 2.00 to 4.35. During the year ended June 30, 2016, the construction of the center was completed, at a total cost (excluding land) of \$7,261,590.

The annual debt service requirements on the Limited Tax Bonds Series 2014 the next five years and thereafter in four and five year increments to the final maturity date on March 1, 2034 follows:

Year ending <u>June 30</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2020	225,526	315,000	540,526
2021	216,076	325,000	541,076
2022	206,326	335,000	541,326
2023	196,276	345,000	541,276
2024	185,926	355,000	540,926
2025-2027	488,017	1,130,000	1,618,017
2028-2032	496,240	2,200,000	2,696,240
2033-2034	<u>66,030</u>	<u>1,015,000</u>	<u>1,081,030</u>
Total	<u>\$ 2,080,417</u>	<u>\$ 6,020,000</u>	<u>\$ 8,100,417</u>

Total debt service requirement on all bond obligations the Series 2009 A & B Tax Bonds, The Limited Tax Bonds Series 2014 and the 2016 tax refunding bonds for the next five years and thereafter in four and five year increments to the final maturity date on March 1, 2034 follows:

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(11) Long-Term Debt – Continued

Year ending June 30	Interest	Principal	Total
2020	533,291	1,125,000	1,658,291
2021	493,026	1,155,000	1,648,026
2022	466,476	1,185,000	1,651,476
2023	434,951	1,210,000	1,644,951
2024	398,276	1,245,000	1,643,276
2025-2027	915,817	4,000,000	4,915,817
2028-2032	581,340	4,305,000	4,886,340
2033-2034	66,030	1,015,000	1,081,030
Total	\$ 3,889,207	\$ 15,240,000	\$ 19,129,207

Changes in long-term obligations for the year ended June 30, 2019, are as follows:

	Balance at July 1, 2018	Increases	Decreases	Balance at June 30, 2019	Due within One Year
Governmental activities:					
General obligation bonds	\$16,335,000	\$ -0-	\$1,095,000	\$15,240,000	\$1,125,000
Notes from direct borrowing and direct placements	-0-	-0-	-0-	-0-	-0-
Total	\$16,335,000	-0-	\$1,095,000	\$15,240,000	\$1,125,000

The Sheriff's outstanding General Obligation Bonds related to governmental activities of \$15,240,000, contain a provision that in an event of default, the following applies:

LISTED EVENTS – The occurrence of any of the following Listed Events with respect to the bonds shall be deemed a failure of the issuer to comply with the provisions of the Disclosure Certificate:

LISTED EVENTS

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Releases, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Issuer;

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(11) Long-Term Debt - Continued

In the event of a failure of the Issuer to comply with any provision of the Disclosure Certificate any Bondholder or the Participating Underwriter may take such actions as may be necessary and appropriate, to cause the Issuer to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under the Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

B) Compensated Absences

During the year ended June 30, 2019, the following changes occurred in non-current liabilities reported in the Statement of Net Position.

	Balance <u>6/30/18</u>	Additions	Reductions	Balance <u>6/30/19</u>	Current Portion
Compensated absences:					
Vacation leave	\$ 822,625	\$ 1,327,382	\$ 1,169,498	\$ 980,509	\$ 98,051
Compensatory time	<u>44,516</u>	<u>18,373</u>	<u>-0-</u>	<u>62,889</u>	<u>-0-</u>
	867,141	1,345,755	1,169,498	1,043,398	98,051
Net other post employee benefit (OPEB) obligation	32,936,580	1,609,272	7,776,198	26,769,654	-0-
Tax bonds	<u>16,335,000</u>	<u>-0-</u>	<u>1,095,000</u>	<u>15,240,000</u>	<u>1,658,291</u>
Total	\$ <u>50,138,721</u>	\$ <u>2,955,027</u>	\$ <u>10,040,696</u>	\$ <u>43,053,052</u>	\$ <u>1,756,342</u>

(12) Litigation and Claims

At June 30, 2019, the Sheriff is involved in several lawsuits claiming damages. For many of the cases, in the opinion of the Sheriff's management, the only exposure to the Sheriff would be any costs in defense of the lawsuits with no liability to the Sheriff in excess of insurance coverage. For those cases which are estimated to exceed insurance coverage, an accrual is recorded in the general fund.

(13) Lease Obligations

The Sheriff is committed under various leases for office space, copy machines, and other equipment.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(13) Lease Obligations - Continued

The leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2019 amounted to \$126,113. Future minimum lease payments for these leases are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2020	\$ 143,660
2021	\$ 143,606
2022	\$ 143,606
2023	\$ 143,606
2024	\$ 143,606

(14) Risk Management

The Sheriff is exposed to risks of loss in areas of general and auto liability, property hazards, and workers' compensation. Those risks are covered by purchasing commercial insurance. During the year ended June 30, 1998, the Sheriff implemented a risk management program. Under this program, a loss fund was established to cover a self-insured retention (SIR) of \$10,000 for property damage and \$125,000 for third party liability per occurrence. Claims in excess of the SIR are payable by the insurance company. The loss fund had a balance of \$699,665 at June 30, 2019 and is included as part of the cash and cash equivalents in the accompanying financial statements.

(15) Expenditures of the Sheriff's Office Paid by the Parish Council

The Sheriff's office is located in the parish courthouse. The costs of maintaining and operating the parish courthouse, as required by statute, is paid by the St. Charles Parish Council. These expenditures are not included in the accompanying financial statements.

(16) On-Behalf Payments for Salaries

Qualified employees of the Sheriff's office receive a monthly salary supplement from either the state or the parish. These supplements which aggregated \$3,265,377 for the year ended June 30, 2019 are reported as revenue and expenditures in the accompanying financial statements.

(17) New Accounting Pronouncements

During the fiscal year ended June 30, 2018, the Sheriff adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The statement addresses accounting and financial reporting for OPEB that is provided to employees of state and local governmental employers. This statement replaces the requirements Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Notes to Basic Financial Statements (Continued)

(17) New Accounting Pronouncements- continued

In January 2017, the Governmental Accounting Standards Board (GASB) approved Statement No. 84, *Fiduciary Activities*. GASB Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The provisions of GASB Statement No. 84 must be implemented by the sheriff for the year ending June 30, 2020. The effect of implementation of this statement on the Sheriff's financial statements has not yet been determined.

In March 2018, the Governmental Accounting Standards Board (GASB) approved Statement No. 88, *Certain Disclosure Related to Debt, including Direct Borrowings and Direct Placements*. GASB Statement No. 88 improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The provisions of GASB Statement No. 88 have been implemented by the Sheriff for the year ending June 30, 2019.

(18) Evaluation of Subsequent Events

The Sheriff's office has evaluated subsequent events through December 18, 2019, the date the financial statements were available to be issued. After the close of the June 30, 2019 fiscal year, it was discovered in the Bonds and Fines Department that full reconciliations of the monthly expenditures to the month end cash balances were not possible due to the improper implementation of new accounting software. Shortly thereafter, the Sheriff successfully implemented changes to this department which required the software provider to perform a re-implementation of the software initially installed.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual - General Fund
Year Ended June 30, 2019
With Comparative Actual Amounts for Year Ended June 30, 2018
2019

	Budget		Actual	Variance With	2018 Actual
	Original	Final		Final Budget Positive (Negative)	
Revenues:					
Ad valorem property taxes	\$ 29,400,000	\$ 30,671,130	\$ 30,712,183	\$ 41,053	\$ 27,165,959
Intergovernmental:					
Federal and state grants	322,000	88,900	70,589	(18,311)	736,263
State revenue sharing – net	350,000	381,410	381,410	-0-	382,547
State supplemental pay	1,370,000	1,355,000	1,358,525	3,525	1,351,456
Parish supplemental pay	1,820,000	1,900,000	1,906,852	6,852	1,910,048
Video poker	290,000	325,000	334,674	9,674	323,110
Fees, charges, and commissions for services:					
Civil and criminal fees	1,105,400	1,166,700	1,230,876	64,176	1,186,084
Court attendance	20,000	20,000	20,060	60	19,482
Feeding and keeping prisoners	5,850,000	5,400,000	5,537,436	137,436	5,912,718
Transporting prisoners	50,000	61,000	71,136	10,136	64,326
Paid details	1,385,000	2,055,000	2,129,417	74,417	1,392,268
Vehicle use fees	200,000	190,500	184,876	(5,624)	199,713
Telephone commissions and other	935,000	947,000	922,891	(24,109)	1,027,618
Interest income	251,650	512,200	502,169	(10,031)	261,930
Miscellaneous:					
Contraband	17,000	37,000	39,632	2,632	38,449
Donations	30,000	31,000	32,018	1,018	28,648
Unclaimed checks	1,890	1,690	11,836	10,146	14,838
Other	15,000	22,500	22,556	56	11,733
Total revenues	<u>43,412,940</u>	<u>45,166,030</u>	<u>45,469,136</u>	<u>303,106</u>	<u>42,027,190</u>
Other financing sources (uses):					
Transfer to other fund	(1,668,141)	(1,668,141)	(1,599,137)	69,004	(1,642,454)
Sale of assets	<u>35,000</u>	<u>76,500</u>	<u>81,325</u>	<u>4,825</u>	<u>140,612</u>
Total revenues and other financing sources	<u>41,779,799</u>	<u>43,574,389</u>	<u>43,951,324</u>	<u>376,935</u>	<u>40,525,348</u>
Expenditures:					
Current:					
Public Safety:					
Personal services and related benefits	32,861,337	32,150,037	31,992,739	(157,298)	31,759,394
Contracted services	2,223,000	2,268,500	1,969,515	(298,985)	2,925,848
Operation and maintenance	5,106,952	5,315,852	5,200,851	(115,001)	4,886,979
Capital outlay	<u>1,450,000</u>	<u>1,356,000</u>	<u>1,369,249</u>	<u>13,249</u>	<u>1,114,155</u>
Total expenditures	<u>41,641,289</u>	<u>41,090,389</u>	<u>40,532,354</u>	<u>(558,035)</u>	<u>40,686,376</u>
Excess (deficiency) of revenues and other financing sources over expenditures	138,510	2,484,000	3,418,970	934,970	(161,028)
Fund balance at beginning of year	<u>25,800,738</u>	<u>26,431,203</u>	<u>26,431,203</u>	-0-	<u>26,592,231</u>
Fund balance at end of year	\$ <u>25,939,248</u>	\$ <u>28,915,203</u>	\$ <u>29,850,173</u>	\$ <u>934,970</u>	\$ <u>26,431,203</u>

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Schedule of Expenditures Compared to Budget (GAAP Basis) - General Fund
Year Ended June 30, 2019

With Comparative Actual Amounts for Year Ended June 30, 2018

	2019			Variance With Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Current:					
Public Safety:					
Personnel services and related benefits:					
Sheriff's salary	\$ 160,337	\$ 160,337	\$ 160,337	\$ 0	\$ 166,460
Deputies' salaries	23,366,500	23,199,500	23,121,177	(78,323)	22,336,507
Cell phone stipend	82,000	79,000	78,566	(434)	82,165
Vacation	135,000	90,000	90,495	495	137,837
Terminal leave	134,000	47,000	44,824	(2,176)	184,392
Deferred compensation	843,500	821,500	749,318	(72,182)	825,305
Pension and payroll taxes	3,940,000	3,727,700	3,725,538	(2,162)	3,970,375
Hospitalization/life insurance	<u>4,200,000</u>	<u>4,025,000</u>	<u>4,022,484</u>	<u>(2,516)</u>	<u>4,056,353</u>
	<u>32,861,337</u>	<u>32,150,037</u>	<u>31,992,739</u>	<u>(157,298)</u>	<u>31,759,394</u>
Contracted services:					
Liability insurance	1,381,000	1,396,500	1,307,962	(88,538)	1,336,436
Attorney fees	30,000	30,000	30,240	240	17,298
Other professional services	422,000	452,000	424,604	(27,396)	560,847
Computer software	250,000	270,000	80,596	(189,404)	887,417
Rent/lease	<u>140,000</u>	<u>120,000</u>	<u>126,113</u>	<u>6,113</u>	<u>123,850</u>
	<u>2,223,000</u>	<u>2,268,500</u>	<u>1,969,515</u>	<u>(298,985)</u>	<u>2,925,848</u>
Operation and maintenance:					
Auto fuel	675,000	687,000	677,519	(9,481)	657,632
Auto repairs and maintenance	420,000	497,000	474,779	(22,221)	341,476
Building maintenance	170,000	190,000	181,307	(8,693)	167,549
Community service	55,000	62,000	62,822	822	49,823
Crime lab	41,252	41,252	41,252	-0-	41,252
Criminal investigation	20,000	20,000	18,748	(1,252)	13,672
Deputy uniforms, supplies, etc.	560,000	630,000	590,505	(39,495)	417,444
Dues and subscriptions	65,000	62,000	63,410	1,410	60,284
Office supplies and expenses	938,000	1,038,000	1,013,504	(24,496)	995,455
Prisoner feeding and maintenance	1,045,200	1,038,600	1,054,849	16,249	1,036,068
Radio repairs	8,000	12,000	10,785	(1,215)	8,653
Telephone and utilities	1,020,000	955,500	935,974	(19,526)	1,022,495
Travel	25,000	20,000	17,582	(2,418)	23,615
Other	<u>64,500</u>	<u>62,500</u>	<u>57,815</u>	<u>(4,685)</u>	<u>51,561</u>
	<u>5,106,952</u>	<u>5,315,852</u>	<u>5,200,851</u>	<u>(115,001)</u>	<u>4,886,979</u>
Capital outlay:					
Purchase of vehicles	850,000	885,000	884,771	(229)	707,031
Purchase of radios and other equipment	<u>600,000</u>	<u>471,000</u>	<u>484,478</u>	<u>13,478</u>	<u>407,124</u>
	<u>1,450,000</u>	<u>1,356,000</u>	<u>1,369,249</u>	<u>13,249</u>	<u>1,114,155</u>
Total expenditures	\$ <u>41,641,289</u>	\$ <u>41,090,389</u>	\$ <u>40,532,354</u>	\$ <u>(558,035)</u>	\$ <u>40,686,376</u>

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Schedule of the Employer's Proportionate Share
Of the Net Pension Liability
For the Year Ended June 30, 2019

Date	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Position Liability	Plan Fiduciary Net Position As a % of Total Pension Liability	Covered Employee Payroll	Employer's Net Position Liability As a % of Covered Employee Payroll
2019	\$131,390,167	\$118,750,163	\$ 12,599,554	90.38%	\$ 16,930,004	74.42%
2018	\$121,045,998	\$107,110,680	\$ 13,935,318	88.49%	\$ 14,520,741	95.97%
2017	\$108,561,913	\$ 89,126,064	\$ 19,435,849	82.10%	\$ 20,499,495	94.81%
2016	\$ 99,563,065	\$ 86,228,108	\$ 13,334,957	86.61%	\$ 20,499,495	65.05%
2015	\$ 93,296,247	\$ 81,489,345	\$ 11,806,902	87.34%	\$ 19,181,347	61.55%

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

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

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Schedule of the Employer's Pension Contributions
For the Year Ended June 30, 2019

Date	Actuarially Determined Contribution	Contributions In Relation to The Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions As a Percentage Of Covered Payroll
2019	\$ 2,885,846	\$ 2,885,846	\$ -	\$ 16,930,004	17.0457%
2018	\$ 2,952,885	\$ 2,952,885	\$ -	\$ 14,520,741	20.3356%
2017	\$ 2,878,412	\$ 2,878,412	\$ -	\$ 20,499,495	14.0413%
2016	\$ 2,826,930	\$ 2,826,930	\$ -	\$ 20,499,495	13.7902%
2015	\$ 2,664,289	\$ 2,664,289	\$ -	\$ 19,181,347	13.8900%

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

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

OTHER SUPPLEMENTARY INFORMATION

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Schedule of the Changes in Net OPEB Liability and Related Ratios for the
For the Year Ended June 30, 2019

	<u>2018</u>	<u>2019</u>
Total OPEB Liability		
Service cost	\$ 1,344,837	\$ 750,146
Interest	1,247,115	1,292,492
Changes of benefit terms	-0-	-0-
Differences between expected and actual experience	-0-	(6,174,939)
Changes of assumptions	-0-	(1,192,270)
Benefit payments	<u>(905,330)</u>	<u>(842,355)</u>
Net change in total OPEB liability	1,686,622	(6,166,926)
Total OPEB liability – beginning	<u>31,249,958</u>	<u>32,936,580</u>
Total OPEB liability – ending	<u>\$ 32,936,580</u>	<u>\$ 26,769,654</u>
Covered-employee payroll	\$ 14,520,741	\$ 16,930,004
Net OPEB liability as a percentage of covered-employee payroll	226.82%	158.12%
Notes to Schedule:		
<i>Benefit Changes:</i>	None	None
<i>Changes of Assumptions:</i>		
<i>Discount Rate:</i>	3.88%	3.50%
<i>Health Trend Rate:</i>	variable	5.50%/3.0%

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

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana
General Fund

Comparative Balance Sheet
June 30, 2019 and 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 8,875,713	\$ 5,697,577
Investments	20,391,534	19,946,057
Receivables:		
Accrued interest	2,952	1,138
Due from other governmental units	683,821	239,496
Due from agency funds	84,698	24,650
Other	230,953	1,049,085
Inventory	36,352	28,107
Prepaid expenses	<u>27,903</u>	<u>11,886</u>
Total assets	<u>\$30,333,926</u>	<u>\$ 26,997,996</u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts and other accrued payables	\$ <u>483,753</u>	\$ <u>566,793</u>
Total liabilities	<u>483,753</u>	<u>566,793</u>
Fund balance:		
Nonspendable	64,255	39,993
Unassigned	<u>29,785,918</u>	<u>26,391,210</u>
Total fund balance	<u>29,850,173</u>	<u>26,431,203</u>
Total liabilities and fund balance	<u>\$30,333,926</u>	<u>\$ 26,997,996</u>

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana
Debt Service Fund

Balance Sheet
June 30, 2019

ASSETS	
Cash and cash equivalents	<u>\$275,400</u>
Total assets	<u>\$275,400</u>
FUND BALANCE	
Reserved for debt service	<u>\$275,400</u>

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana
Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2019

Revenues:		
Interest income		\$ 7,989
Other financing sources:		
Transfer from General Fund		<u>1,644,346</u>
Total revenues and other financing sources		1,652,335
Expenditures:		
Debt service:		
Principal	1,095,000	
Interest	<u>573,141</u>	
Total expenditures		<u>1,668,141</u>
Excess of expenditures over revenues and other financing sources		(15,806)
Fund balance at beginning of year		<u>291,206</u>
Fund balance at end of year		<u>\$ 275,400</u>

FIDUCIARY FUND TYPE - AGENCY FUNDS

DESCRIPTION OF FUND:

Civil Fund - To account for funds held in connection with civil suits, sheriff's sales, and garnishments, and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

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

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

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

Prison Inmate Work Release Fund - To account for money earned by eligible inmate through the prison work release program.

Asset Forfeiture Fund - To account for money turned over temporarily by the District Attorney's Office per a court order resulting from criminal seizures, awaiting final outcome by the decision of the court.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana
Agency Funds

Combining Balance Sheet
June 30, 2019
With Comparative Total for June 30, 2018

	<u>Civil Fund</u>	<u>Tax Collector Fund</u>	<u>Bonds and Fines Fund</u>	<u>Prison Inmate Fund</u>	<u>Work Release Fund</u>	<u>Asset Forfeiture Fund</u>	<u>Total</u>	
							<u>2019</u>	<u>2018</u>
ASSETS								
Cash and cash equivalents	\$ 86,037	\$ 127,613	\$2,625,375	\$ 169,934	\$ 43,158	\$ 9,500	\$3,061,617	\$ 3,124,179
Investments	<u>-0-</u>	<u>8,235</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>8,235</u>	<u>8,229</u>
Total assets	<u>\$ 86,037</u>	<u>\$ 135,848</u>	<u>\$2,625,375</u>	<u>\$ 169,934</u>	<u>\$ 43,158</u>	<u>\$ 9,500</u>	<u>\$ 3,069,852</u>	<u>\$ 3,132,408</u>
LIABILITIES								
Due to General Fund	\$ 133	\$ -0-	\$ 21,392	\$ -0-	\$ -0-	-0-	\$ 21,525	\$ 7,294
Due to taxing bodies and Others	85,904	135,848	2,603,983	11,628	43,125	9,500	2,889,988	2,996,315
Due to inmates	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>158,306</u>	<u>33</u>	<u>-0-</u>	<u>158,339</u>	<u>128,799</u>
Total liabilities	<u>\$ 86,037</u>	<u>\$ 135,848</u>	<u>\$2,625,375</u>	<u>\$ 169,934</u>	<u>\$ 43,158</u>	<u>\$ 9,500</u>	<u>\$ 3,069,852</u>	<u>\$ 3,132,408</u>

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana
Agency Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2019
With Comparative Total for Year Ended June 30, 2018

	Civil Fund	Tax Collector Fund	Bonds and Fines Fund	Prison Inmate Fund	Work Release Fund	Asset Forfeiture	Total	
							2019	2018
Balances, beginning of year	\$ 53,207	\$ 109,398	\$ 2,791,310	\$ 35,944	\$ 142,549	-	\$ 3,132,408	\$ 2,965,196
Additions:								
Deposits -								
Sheriff's sales, suits and seizures	1,144,432	-	-	-	-	50,927	1,195,359	949,116
Garnishments	393,911	-	-	-	-	-	393,911	329,272
Advance deposits (suits)	83,008	-	-	-	-	-	83,008	65,864
Bonds and fines	-	-	5,577,494	-	-	-	5,577,494	5,510,213
Inmates	-	-	-	446,926	872,837	-	1,319,763	1,390,740
Taxes, fees, etc., paid to tax collector	-	171,193,212	-	-	-	-	171,193,212	151,662,906
Interest on investments	1,035	-	21,392	1,340	380	22	24,169	8,025
Total addition	<u>1,622,386</u>	<u>171,193,212</u>	<u>5,598,886</u>	<u>448,266</u>	<u>873,217</u>	<u>50,949</u>	<u>179,786,916</u>	<u>159,916,136</u>
Reductions:								
Taxes, fees, etc., distributed to taxing bodies and others	-	171,166,762	-	-	-	-	171,166,762	151,610,434
Deposits settled to -								
Sheriff's General Fund and Clerk of Court	198,723	-	902,306	-	-	-	1,101,029	1,145,507
Parish council	-	-	597,418	-	-	-	597,418	604,832
District attorney expense fund	-	-	836,692	-	-	-	836,692	855,748
Judicial expense	-	-	335,736	-	-	-	335,736	350,233
Indigent defender board	-	-	879,225	-	-	-	879,225	886,639
Litigation, attorneys	1,314,435	-	-	-	-	-	1,314,435	1,008,615
Appraisers	27,800	-	-	-	-	-	27,800	38,000
Wrecker and storage	635	-	-	-	-	-	635	486
Official publications	21,847	-	-	-	-	-	21,847	15,274
Louisiana Commission on Law Enforcement	-	-	49,161	-	-	-	49,161	46,219
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund	-	-	72,843	-	-	-	72,843	81,040
Court CMS-State Treasurer	-	-	55,668	-	-	-	55,668	57,918
HCAP - State Treasurer	-	-	145	-	-	-	145	175
Crime laboratory	-	-	57,324	-	-	-	57,324	59,002
Inmates	-	-	-	441,052	845,832	-	1,286,884	1,397,662
Other settlements	26,116	-	-	-	-	41,449	67,565	11,884
Other reductions -								
Restitution	-	-	38,639	-	-	-	38,639	54,262
Refunds	-	-	1,939,664	-	-	-	1,939,664	1,524,994
Total reductions	<u>1,589,556</u>	<u>171,166,762</u>	<u>5,764,821</u>	<u>441,052</u>	<u>845,832</u>	<u>41,449</u>	<u>179,849,472</u>	<u>159,748,924</u>
Balances, end of year	\$ <u>86,037</u>	\$ <u>135,848</u>	\$ <u>2,625,375</u>	\$ <u>43,158</u>	\$ <u>169,934</u>	\$ <u>9,500</u>	\$ <u>3,069,852</u>	\$ <u>3,132,408</u>

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Schedule of Compensation, Benefits and other payments to
Agency Head or Chief Executive Officer
Year Ended June 30, 2019

Agency Head Name: Sheriff Gregory C. Champagne

Purpose

	<u>Amount</u>
Salary	\$ 160,338
Benefits – insurance (Medical, Dental, Vision, Life)	10,327
Benefits – retirement	27,447
Deferred compensation (contributions made by the agency)	11,167
Benefits – other (Medicare Tax)	2,560
Vehicle provided by government	2,812
Dues	90
Per diem	815
Travel	1,105
Conference travel	<u>6,729</u>
	<u>\$ 223,390</u>

COMPLIANCE AND INTERNAL CONTROL

UZEE, BUTLER, ARCENEUX & BOWES

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CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Gregory Champagne
St. Charles Parish Sheriff
Hahnville, Louisiana

We have audited 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, the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the St. Charles Parish Sheriff as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise these basic financial statements, and have issued our report thereon dated December 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Charles Parish Sheriff's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Charles Parish Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Charles 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 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. We did identify a deficiency in internal control that we consider to be a material weakness. The deficiency is described in the accompanying schedule of findings as item 2019-01.

Compliance and Other Matters

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

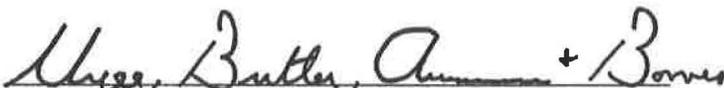
Response to Findings

The St. Charles Parish Sheriff's response to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and corrective action plan. The St Charles Parish Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

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* and should be read in conjunction with the enclosed Independent Auditor's Report in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


Harvey Louisiana
December 18, 2019

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended June 30, 2019

<u>Ref. No.</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact person</u>	<u>Anticipated Completion Date</u>
<u>CURRENT YEAR (6/30/19)</u>						
<u>Internal Control:</u>		*2019-01 (Below)	N/A	*2019-01 (Below)		12/31/19
<u>Compliance:</u>		None	N/A	None	Maurice Bostick Director of Business and Legal Affairs	N/A
<u>PRIOR YEAR (6/30/18)</u>						
<u>Internal Control:</u>		None	N/A	None		N/A
<u>Compliance:</u>		None	N/A	None	Maurice Bostick Director of Business and Legal Affairs	N/A

*2019-01 – The Sheriff has not reconciled the individual expense category balances in the Bonds and Fines Agency Funds with their ending cash balances as of June 30, 2019. Therefore, we were unable to reconcile the individual expense category balances with their ending cash balances as of June 30, 2019 in the Bonds and Fines Agency Funds, totaling \$1,175,642. The Sheriff, in his agency capacity, is responsible to reconcile the total of those expense account balances with the total balances of the funds.

*2019-01 – Corrective action has already been taken as of December 18, 2019. The Sheriff required the software provider to perform a re-implementation of the accounting software in the Bonds and Fines Department. The new installation will facilitate the proper reconciliation.

ST. CHARLES PARISH SHERIFF

Schedule of Findings

Year Ended June 30, 2019

(1) Summary of Auditors' Results

(a) The type of report issued on the basic financial statements: modified opinion

(b) Internal control

Material weaknesses disclosed: yes

Significant deficiencies reported: no

(c) Noncompliance which is material to the financial statements: no

(2) Federal Awards – At June 30, 2019, the Sheriff did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore, this section is not applicable.

STATE OF LOUISIANA, PARISH OF ST. CHARLES

AFFIDAVIT

GREG CHAMPAGNE (Sheriff's Name), Sheriff of ST. CHARLES (Parish)

BEFORE ME, the undersigned authority, personally came and appeared, GREG CHAMPAGNE, the sheriff of ST. CHARLES Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$135,848 is the amount of cash on hand in the tax collector account 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.

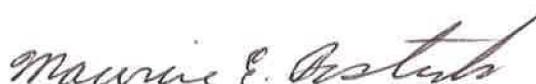
All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.



Signature
Sheriff of ST. CHARLES
(Parish)

SWORN to and subscribed before me, Notary, this 24TH day of October, 2019 in my office in HAHNVILLE, Louisiana.

(City/Town)



(Signature)

(Print), # 20117

Notary Public **MAURICE E. BOSTICK**
NOTARY PUBLIC
Parish of Orleans, State of Louisiana
My Commission is for Life.

(Commission)

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana

Independent Accountant's Report
On Applying Agreed-Upon Procedures

Year Ended June 30, 2019

UZEE, BUTLER, ARCENEUX & BOWES

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**SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS**

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

To the Honorable Greg Champagne
St. Charles Parish Sheriff,
And the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by St. Charles Parish Sheriff and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's statewide Agreed-Upon Procedures (AUPs) for the fiscal period July 1, 2018 through June 30, 2019. The St. Charles Parish Sheriff's management is responsible for those C/C areas identified in the AUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - 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/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/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 of personnel, processes, and tools needed to recover operations after a critical event.

We obtained the St. Charles Parish Sheriff's written policies and procedures manual as well as their employee handbook. The policies and procedures manual and employee handbook addresses each of the following financial/business functions as listed above:

- *Budgeting*
- *Purchasing*
- *Disbursements*
- *Receipts/Collections*
- *Payroll/Personnel*
- *Contracting*
- *Credit Cards, Debit Cards, Fuel Cards and P-Cards*
- *Travel and Expenses Reimbursements*

- *Ethics*
- *Debt Service*
- *Disaster Recovery/Business Continuity*

The Disaster Recovery/Business Continuity has been added to the policies and procedures manual. Management is in the process of updating their manual further to better address the items listed under Disaster Recovery/Business Continuity.

No exceptions found.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

This portion regarding board/committee minutes is not applicable to the St. Charles Parish Sheriff.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain, and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

We obtained a listing of the St. Charles Parish Sheriff's bank accounts from the client's trial balance. Management stated that this listing is complete in their management representation letter dated December 18, 2019.

We selected the main operating account for testing. We also randomly selected four (4) additional accounts for testing. We randomly selected January 2019 for testing. We obtained and inspected the bank statements and reconciliations for each selected account.

We observed that the bank reconciliations were completed within two (2) months of the related statement closing date for each account tested.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

We found evidence that a member of management approved each reconciliation by signature. The member of management that approved the reconciliation does not handle cash, post entries or ledgers, or issue checks.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

We observed that management keeps an "outstanding check" log which is reviewed throughout the year. Per their policy, outstanding checks are researched by management when the checks are more than six (6) months old.

No exceptions found.

Collections (excluding EFTs)

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

We obtained a listing of the cash deposit sites from the management of the St. Charles Parish Sheriff. Management stated that the listing is complete in their management representation letter dated December 18, 2019. We found that the Sheriff has five collection locations. Therefore, we selected all five for our testing. They are:

- *Tax Department*
- *Bonds and Fines Department*
- *Records Department*
- *Crime Scene Department*
- *Correctional Facility*

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

We obtained a listing of all collection locations from the management of the St. Charles Parish Sheriff. Management stated that this listing is complete in their management representation letter dated December 18, 2019. The collection locations are the same as the deposit sites listed above.

We reviewed and obtained the written policies and procedures for the St. Charles Parish Sheriff related to employee job duties. At each location, we observed that each job duty was properly segregated.

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

We observed that the employee(s) who collected the cash did not reconcile the cash receipts so as to properly create a segregated checks and balance system. Each employee was responsible for only one cash drawer.

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

We observed that the employee(s) responsible for collecting cash are not responsible for preparing or reconciling the bank deposits.

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

We found that the employee(s) responsible for collecting cash are not responsible for posting entries to the general ledger or subsidiary ledger.

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

We further found that the employee(s) responsible for collecting cash are not responsible for reconciling the ledgers to the bank statement.

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

We reviewed the insurance policy and ensured that all employees who have access to cash are covered by a bond or theft policy.

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

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

We randomly selected two (2) deposit dates for each account and checked the accuracy of deposits. We also obtained documentation of the deposits for support.

We observed that the receipts are sequentially pre-numbered.

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

We traced the sequentially pre-numbered receipts to the system generated reports, and we traced the other related collection documentation to the deposit slip.

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

We traced the deposit slip total to the actual deposit reflected on the bank statement.

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

We observed that the deposits were made at least once per week, if not daily. Per policy, any deposits received over \$500,000 were deposited within one (1) business day.

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

We traced the actual deposit per the bank statement to the general ledger.

No exceptions found.

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

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

We obtained a listing of the locations that process payments from the management of the St. Charles Parish Sheriff. Management stated that the listing is complete in their management representation letter dated December 18, 2019. We found that the Sheriff has five locations that process payments. Therefore, we selected all five for our testing.

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

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

We reviewed and obtained the written policies and procedures related to employee job duties and functions. We also obtained a list of employees involved with non-payroll purchasing and payment functions. The list provided a breakdown of the job duties by employee for non-payroll purchasing and payment functions.

We found that at least two (2) employees are involved in initiating a purchase request, approving a purchase, and placing an order or making a purchase. We found that all purchases go through one main employee and is then approved by a member of management.

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

As mentioned previously, we also found that at least two (2) employees are involved in processing and approving payments to vendors. We found that all purchases go through one main employee and is then approved by a member of management.

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

We also found that the employee responsible for payments is prohibited from adding and/or modifying vendor files. We found that the Director of Business, adds the vendors, and the Finance Officer will add the vendors only in the absence of the Director, if time sensitive.

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

We also observed that the employee(s) who sign the checks are not responsible for processing payments or mailing the checks. The mail is taken and delivered each day to the post office by an officer of the Sheriff's office.

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

We obtained a listing of the non-payroll disbursement transaction population from the management of the St. Charles Parish Sheriff. Management stated that the listing is complete in their management representation letter dated December 18, 2019. We randomly selected five (5) disbursements from each location. We obtained and reviewed the supporting documentation for each transaction selected.

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

We observed that the selected disbursements matched the original invoice(s) and billing statement(s).

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

We also observed that the disbursement documentation had evidence of segregation of duties as tested previously.

No exceptions found.

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

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

We obtained a listing of the active credit cards and fuel cards from the management of the St. Charles Parish Sheriff. Management stated that the listing is complete in their management representation letter dated December 18, 2019. We found that the Sheriff's office does not maintain or use any debit cards or P-cards.

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

We selected all five (5) cards available for testing. We randomly selected January 2019 for testing. We obtained the respective statements for each card. One of the five is a fuel card.

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

We observed that the monthly statements were reviewed and approved by management and is not the authorized card holder or person listed as authorized to use the card.

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

We observed that finance charges and late fees were not assessed on the monthly statements selected.

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

We randomly selected ten (10) transactions, if applicable, from each statement, excluding fuel cards. We observed that each transaction selected had an original itemized receipt identifying the purchase and written documentation to support the purchase. We found that no meal charges were present in the transactions selected. We also found that there were no missing receipts for the transactions selected.

No exceptions found.

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

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

We obtained a listing of the travel and travel-related expense reimbursements during the fiscal period from the management of the St. Charles Parish Sheriff. Management stated that the listing is complete in their management representation letter dated December 18, 2019. In addition, we obtained the written policies related to travel and expense reimbursements.

We found that the Sheriff's policy regarding meal and mileage reimbursement is to follow the policy on those topics published in the Louisiana-Division of Administration Official Travel Guide for 2018-2019. No Sheriff's office employees are considered to have routine lodging needs, and as such, would not meet the requirements of the routine lodging allowances.

Instead, Sheriff's office employees book travel after having specific expenses for lodging approved by a department head. Hotels are paid directly by the Sheriff's finance office or a department credit card. We randomly selected five (5) reimbursements for testing and obtained the supporting documentation.

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

For the samples tested, the per diem amounts agree with the reimbursement rate to those rates established by the state of Louisiana, if applicable.

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

We observed that reimbursements of actual costs was supported by an original itemized receipt that identifies precisely what was purchased.

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

We observed that each reimbursement is supported by documentation of the purpose and other documentation as required stated in the written policies and procedures.

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

We also observed that each reimbursement was reviewed and approved by a member of management, who was not the person being reimbursed.

No exceptions found.

Contracts

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

We have obtained a listing of the agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period from the management of the St. Charles Parish Sheriff. Management stated that the listing is complete in their management representation letter dated December 18, 2019. We randomly selected five (5) contracts from the listing.

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

Of the sample selected, we observed that the contract(s) were bid in accordance with the Louisiana Public Bid Law.

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

We also observed that the contract(s) were approved by the governing body and management, as is required by policy.

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

We found that no contracts were amended.

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

We randomly selected one payment from each contract tested and obtained the supporting invoice and documentation. We observed and verified that the payment agreed to the terms and conditions of the contract.

Exception: One vendor selected was used only once for medical services for an inmate. No contract was formed.

Payroll and Personnel

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

We obtained a listing of the employees/elected officials employed during the fiscal period from the management of the St. Charles Parish Sheriff. Management stated that the listing is complete in their management representation letter dated December 18, 2019. We randomly selected five (5) employees/officials. We reviewed their personnel files, and we confirmed that their respective rate of pay on the payroll report agreed to their personnel file.

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

We selected January 2019 for testing. We obtained their attendance records and leave documentation.

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

We observed that all selected employees had documented time attendance and leave records.

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

We observed that the attendance and leave records were approved by the appropriate supervisors.

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

We also observed that the employees selected had their respective leave accrued and/or taken accordingly, and we verified that the leave was reflected appropriately in their records.

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

We obtained a listing of the employees/elected officials that received termination payments during the fiscal period from the management of the St. Charles Parish Sheriff. Management stated that the listing is complete in their management representation letter dated December 18, 2019. We randomly selected two (2) employees who received termination payments. We obtained the related documentation of the hours and pay rates used in management's calculation. We found that the hours paid agreed to the hours stated on the cumulative leave records and to the pay rates in each respective personnel file.

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

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

No exceptions found.

Ethics

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

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

We have observed that each employee has documentation stating that the 1-hour ethics training has been completed during the fiscal period.

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

We have observed that each employee/official has read the Sheriff's ethics policy during the fiscal period. Each employee has signed documentation in their personnel file.

No exceptions found.

Debt Service

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

We found that no new bonds or notes were issued during the year.

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

We obtained a listing of the bonds/notes outstanding at the end of the fiscal period from the management of the St. Charles Parish Sheriff. Management stated that the listing is complete in their management representation letter dated December 18, 2019. We found that the only debt listed is the Bond Sinking fund. The Bond Sinking fund is used to store money during the fiscal period until payments are due. Money is then transferred back to the General fund to pay the portion owed.

No exceptions found.

Other

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

Management has indicated there were no cases where funds or property of the Sheriff's office have been misappropriated.

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

We have observed that the Sheriff's office has posted the notice required by R.S. 24:523.1 in a common area of their office. This notice is regarding the reporting of misappropriation, fraud, waste, or abuse of public funds. The notice is also displayed on the home page of their website under Fraud Abuse.

No exceptions found.

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

This report is intended solely for the information and use of the St. Charles Parish Sheriff and the Louisiana Department of Public Safety and corrections and is not intended to be and should not be used by anyone other than these specified parties.



Uzee, Butler, Arceneux & Bowes
Certified Public Accountants
Harvey, Louisiana

December 18, 2019