

**JEFFERSON PARISH CORONER'S OFFICE
ANNUAL FINANCIAL STATEMENTS**

For the Year Ended December 31, 2017

JEFFERSON PARISH CORONER'S OFFICE

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INDEPENDENT AUDITORS' REPORT

Gerald A. Cvitanovich, M.D.
Jefferson Parish Coroner's Office
Harvey, Louisiana

We have audited the accompanying financial statements of the Jefferson Parish Coroner's Office (the Coroner), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Coroner's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Coroner, as of December 31, 2017, 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 and required supplementary information on pages 4 through 9 and 31 through 35 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtain during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Coroner's financial statements. The schedule of compensation, benefits, and other payments to agency heads is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule of compensation, benefits, and other payments to agency heads is the responsibility of management and was derived from and relates 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments paid to agency heads is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated June 21, 2018, on our consideration of the Coroner's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on 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 Coroner's internal control over financial reporting and compliance.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
June 21, 2018

JEFFERSON PARISH CORONER'S OFFICE MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Jefferson Parish Coroner's Office (the Coroner) annual financial report, the Coroner's management is pleased to provide this narrative discussion and analysis of the financial activities of the Coroner for the year ended December 31, 2017. The Coroner's financial activities and condition are discussed and analyzed within the context of the accompanying basic financial statements and footnote disclosures following this section.

Management's Discussion and Analysis (MD&A) is a part of the Required Supplementary Information required by the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

FINANCIAL HIGHLIGHTS

- The Coroner's assets and deferred outflows exceeded its liabilities and deferred inflows by \$16,500,472 (net position) as of December 31, 2017, and by \$16,093,409 as of December 31, 2016.
- Total 2017 revenues of \$6,060,132 exceeded total expenditures of \$5,653,069, resulting in an excess of revenues over expenditures of \$407,063. For 2016, the Coroner had revenues exceeding expenditures in the amount of \$635,456.
- Total net position as of December 31, 2017 and 2016 are comprised of the following:
 - Net investment in capital assets, of \$4,500,138 and \$3,797,954, consisting of property and equipment, net of accumulated depreciation and related debt.
 - Unrestricted net position of \$12,000,334 and \$12,295,455.
 - The Coroner's general fund reported a total fund balance of \$11,714,117 and, \$11,855,736 for 2017 and 2016, respectively. The current year remained consistent with the prior year.

The above financial highlights are explained in more detail in the "Financial Analysis" section to follow.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis section introduces the Coroner'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 Coroner also includes in this report additional information to supplement the basic financial statements. Comparative data for the prior year is only available on a limited basis.

JEFFERSON PARISH CORONER'S OFFICE

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Government-Wide Financial Statements

The Coroner's annual financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Coroner'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.

The first of these government-wide financial statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the Coroner'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 Coroner as a whole is improving or deteriorating.

The other government-wide financial statement is the Statement of Activities, which reports how the Coroner's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when the cash is received or paid.

The government-wide financial statements present governmental activities of the Coroner. The government-wide financial statements are presented on pages 10 and 11 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 Coroner uses funds to ensure and demonstrate compliance with finance-related laws and regulations.

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 financial statements providing a distinctive view of the Coroner's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between the 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 Coroner has only one governmental fund which is the general fund and the basic governmental fund financial statements are presented on pages 12 and 14-15 of this report.

Notes to the Basic Financial Statements

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

JEFFERSON PARISH CORONER'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Coroner's budget presentations. Budgetary comparison statements are included as "Required Supplementary Information" for the General Fund. This schedule demonstrates compliance with the Coroner's adopted and final revised budget. This Required Supplementary Information schedule can be found on pages 32-33 of this report.

FINANCIAL ANALYSIS OF THE CORONER AS A WHOLE

The Coroner's net position was \$16,500,472 and \$16,093,409 as of December 31, 2017 and 2016, respectively. The following table provides a summary of the Coroner's net position:

Condensed Statements of Net Position
as of December 31, 2017 and 2016

	<u>2017</u>	<u>Percentage</u>	<u>2016</u>	<u>Percentage</u>
ASSETS:				
Current assets	\$ 12,224,397	73%	\$ 12,257,084	76%
Other asset	11,063	0%	63,546	0%
Capital assets, net of accumulated depreciation	<u>4,500,138</u>	27%	<u>3,797,954</u>	24%
TOTAL ASSETS	<u>16,735,598</u>	100%	<u>16,118,584</u>	100%
DEFERRED OUTFLOWS	<u>1,029,397</u>		<u>1,569,715</u>	
LIABILITIES:				
Current liabilities	357,048	32%	332,463	23%
Noncurrent liabilities	<u>772,325</u>	68%	<u>1,089,307</u>	77%
TOTAL LIABILITIES	<u>1,129,373</u>	100%	<u>1,421,770</u>	100%
DEFERRED INFLOWS	<u>135,150</u>		<u>173,120</u>	
NET POSITION:				
Net investment in capital assets	4,500,138		3,797,954	
Unrestricted	<u>12,000,334</u>		<u>12,295,455</u>	
TOTAL NET POSITION	<u>\$ 16,500,472</u>		<u>\$ 16,093,409</u>	

JEFFERSON PARISH CORONER'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

FINANCIAL ANALYSIS OF THE CORONER AS A WHOLE - Continued

The following table provides a summary of the Coroner's changes in net position for the years ended December 31, 2017 and 2016.

Condensed Statements of Activities
For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>Percentage</u>	<u>2016</u>	<u>Percentage</u>
REVENUES:				
Program:				
Charges for services	\$ 385,433	7%	\$ 393,112	7%
Operating grants and contributions	<u>136,865</u>	2%	<u>46,176</u>	1%
Total program revenues	522,298	9%	439,288	8%
General:				
Ad valorem taxes	5,288,026	87%	5,242,682	88%
State revenue sharing	102,835	2%	103,327	2%
Other	<u>146,973</u>	2%	<u>152,204</u>	2%
Total general revenues	5,537,834	91%	5,498,213	92%
EXPENSES:				
Program:				
Health and welfare	5,651,228	93%	5,284,928	88%
Loss on disposal	<u>1,841</u>	0%	<u>17,117</u>	0%
Total Expenses	<u>5,653,069</u>		<u>5,302,045</u>	
CHANGES IN NET POSITION	407,063	7%	635,456	12%
BEGINNING NET POSITION	<u>16,093,409</u>		<u>15,457,953</u>	
ENDING NET POSITION	<u>\$ 16,500,472</u>		<u>\$ 16,093,409</u>	

Total expenditures increased \$351,024 from prior year due to the purchase of a new x-ray machine and land.

**JEFFERSON PARISH CORONER'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

FINANCIAL ANALYSIS OF THE CORONER AS A WHOLE - Continued

Governmental Revenues

The Coroner is heavily reliant on ad valorem tax revenue to support its operations, which provided \$5,288,026 or 87% of the Coroner's total revenues in 2017. Charges for services accounted for \$385,433 or 7% of revenues in 2017.

Ad valorem tax revenue was \$5,242,682 or 88% of the Coroner's total revenues in 2016. Charges for services accounted for \$393,112 or 7% of revenues in 2016.

Governmental Functional Expenses

The legally mandated duties of the Coroner include, but are not limited to, death investigation to determine cause and manner of death, involuntary civil commitments of those suspected of being a danger to self, and danger to others or gravely disabled, and the examination of all alleged sexual assault victims in cases.

FINANCIAL ANALYSIS OF THE CORONER'S FUND

Governmental Fund

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. The general fund is the Coroner's only fund and reported an ending fund balance of \$11,714,117 and \$11,855,736 at December 31, 2017 and 2016, respectively. The fund balance decreased by \$141,619 from the previous year. For December 31, 2017, the Coroner committed \$6,039,800 of the fund balance for emergency and disaster provisions.

BUDGETARY HIGHLIGHTS

The General Fund

During 2017, the General Fund's budget was amended to increase the amount budgeted for capital outlay by \$500,000 to account for the purchase of land and a new x-ray machine.

JEFFERSON PARISH CORONER'S OFFICE
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

CAPITAL ASSETS

The Coroner's investment in capital assets, net of accumulated depreciation, as of December 31, 2017 was \$4,500,138. There was an increase of \$702,184 in net capital assets. See Note 7 in the financial statement footnote disclosures for additional information about changes in capital assets during the fiscal year and the balance at the end of the year.

The following table provides a summary of capital assets as of the years ended December 31:

	<u>2017</u>	<u>2016</u>
Land	\$ 722,460	\$ 178,280
Depreciable assets:		
Buildings and improvements	6,395,506	6,002,626
Furniture and equipment	<u>1,341,505</u>	<u>1,310,080</u>
Total depreciable assets	7,737,011	7,312,706
Less accumulated depreciation	<u>(3,959,333)</u>	<u>(3,693,032)</u>
Net capital assets	<u>\$ 4,500,138</u>	<u>\$ 3,797,954</u>
Percentage depreciated	51%	51%

At December 31, 2017, the depreciable capital assets for governmental activities were 51% depreciated. The book value is at 49% of the original cost.

CONTACTING THE CORONER'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Coroner's finances, comply with finance-related laws and regulations, and demonstrate the Coroner's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Coroner's office, Gerald Cvitanovich, M.D., Jefferson Parish Forensic Center, 2018 8th Street, Harvey, Louisiana, 70058 at (504) 365-9100.

JEFFERSON PARISH CORONER'S OFFICE

STATEMENT OF NET POSITION

December 31, 2017

CURRENT ASSETS	
Cash and cash equivalents	\$ 6,519,958
Accounts receivable, net	5,399,714
Due from other governments	112,391
Prepaid expenses	<u>192,334</u>
TOTAL CURRENT ASSETS	12,224,397
CAPITAL ASSETS, net	4,500,138
OTHER ASSET	
Prepaid lease asset, long-term	<u>11,063</u>
TOTAL ASSETS	16,735,598
DEFERRED OUTFLOWS OF RESOURCES	
Post measurement date contributions	281,914
Net difference between projected and actual investment earnings on pension plan investments	599,353
Changes of assumptions	146,630
Changes in proportion and differences between the Coroner's contributions and proportionate share of contributions	<u>1,500</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,029,397
LIABILITIES	
Accounts payable and accrued expenses	276,978
Accrued salaries and benefits	80,070
Noncurrent liability:	
Net pension liability	<u>772,325</u>
TOTAL LIABILITIES	1,129,373
DEFERRED INFLOWS OF RESOURCES	
Difference between expected and actual experience	<u>135,150</u>
NET POSITION	
Net investment in capital assets	4,500,138
Unrestricted	<u>12,000,334</u>
TOTAL NET POSITION	<u>\$ 16,500,472</u>

JEFFERSON PARISH CORONER'S OFFICE

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

	<u>Expenses</u>	<u>PROGRAM REVENUES</u>	<u>Net (Expenses)</u>
		<u>Charges</u>	<u>Revenues and</u>
		<u>for Services</u>	<u>Changes in</u>
			<u>Net Position-</u>
		<u>Operating</u>	<u>Governmental</u>
		<u>Grants and</u>	<u>Unit</u>
		<u>Contributions</u>	
<u>FUNCTIONS/PROGRAMS:</u>			
Governmental activities:			
Health and welfare	\$ 5,653,069	\$ 385,433	\$ 136,865
			\$ (5,130,771)
Total Governmental Activities	\$ 5,653,069	\$ 385,433	\$ 136,865
			(5,130,771)
GENERAL REVENUES:			
Ad valorem taxes			5,288,026
Intergovernmental revenues:			
State revenue sharing			102,835
Court fines			35,556
Interest income			109,164
Other			2,253
TOTAL GENERAL REVENUES			5,537,834
CHANGE IN NET POSITION			407,063
NET POSITION - Beginning of year			16,093,409
NET POSITION - End of year			\$ 16,500,472

JEFFERSON PARISH CORONER'S OFFICE

BALANCE SHEET - GENERAL FUND

December 31, 2017

ASSETS

Cash and cash equivalents	\$ 6,519,958
Accounts receivable, net	5,246,482
Due from other governments	112,391
Prepaid expenses	<u>192,334</u>

TOTAL ASSETS \$ 12,071,165

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable and accrued expenses	\$ 276,978
Accrued salaries and benefits	<u>80,070</u>

TOTAL LIABILITIES 357,048

FUND BALANCE

Nonspendable	192,334
Committed	6,039,800
Unassigned	<u>5,481,983</u>

TOTAL FUND BALANCE 11,714,117

TOTAL LIABILITIES AND FUND BALANCE \$ 12,071,165

JEFFERSON PARISH CORONER'S OFFICE
RECONCILIATION OF THE BALANCE SHEET - GENERAL FUND
TO THE STATEMENT OF NET POSITION
December 31, 2017

FUND BALANCE - GENERAL FUND \$ 11,714,117

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

Capital assets used in governmental activities are not
financial resources and therefore are not reported
in the funds. 4,500,138

Prepaid lease asset, long-term and other assets
that do not provide a benefit in the current
period and therefore are not reported in the funds. 164,295

In accordance with Government Accounting Standards
Board Statements No. 68 and No. 71, the net pension liability
related to the pension plans, deferred outflows of resources
and deferred inflows of resources are not recorded in
governmental funds:

Less net pension liability (772,325)

Deferred outflows of resources:

Post measurement date contributions 281,914

Net difference between projected and actual
investment earnings on pension plan investments 599,353

Changes of assumptions 146,630

Changes in proportion and differences between the
Coroner's contributions and proportionate share of
contributions 1,500

Deferred inflows of resources:

Differences between expected and actual experience (135,150)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 16,500,472

JEFFERSON PARISH CORONER'S OFFICE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GENERAL FUND
For the Year Ended December 31, 2017

REVENUES

Ad valorem taxes	\$ 5,203,679
Intergovernmental - state revenue sharing	102,835
Charges for services	385,433
Grants and agreements	136,865
Interest income	109,164
Court fines	35,556
Other revenues	<u>2,253</u>
 Total revenues	 5,975,785

EXPENDITURES

Salaries and benefits	2,779,118
Insurance	607,259
Contract services	578,185
Deductions from ad valorem	32,144
Legal and professional fees	190,172
Automobile expenses	163,328
Morgue supplies	52,938
Autopsies and laboratory testing	187,683
Dental, x-ray and anthropology	300
Grants	50,759
Computer expenses	60,825
Miscellaneous	86,481
Office expenses	55,516
Repairs and maintenance	188,441
Seminars and training	35,465
Communications	44,512
Utilities	79,439
Capital outlay	<u>977,322</u>
 Total expenditures	 <u>6,169,887</u>

DEFICIENCY OF REVENUES
OVER EXPENDITURES

(194,102)

JEFFERSON PARISH CORONER'S OFFICE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GENERAL FUND - CONTINUED
For the Year Ended December 31, 2017

OTHER FINANCING SOURCES

Current year prepayment of long-term leases	<u>52,483</u>
NET CHANGE IN FUND BALANCE	(141,619)
FUND BALANCE - Beginning of year	<u>11,855,736</u>
FUND BALANCE - End of year	<u>\$ 11,714,117</u>

JEFFERSON PARISH CORONER'S OFFICE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - GENERAL FUND TO
THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

NET CHANGE IN FUND BALANCE - GENERAL FUND \$ (141,619)

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

Other revenues not available as current resources. 84,347

Governmental funds report capital outlays as expenditures. In the statement of activities, the costs of those assets are allocated over the estimated useful lives as depreciation expense. This is the amount of capital outlay over depreciation and loss on asset disposal. 702,184

Benefit recognized in the fund financial statements for prepayment of lease expenses. (52,483)

In accordance with Governmental Accounting Standards Board Statements No. 68 and No. 71, the net pension liability related to pension plans is not required to be reported in the governmental fund financial statements. Adjustments to pension expense related to changes in deferred outflows of resources and deferred inflows of resources are reflected in the statement of activities:

Net change in pension expense (185,366)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 407,063

JEFFERSON PARISH CORONER'S OFFICE

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Formation and Operations

As provided by Chapter 3 of Title 33 of the Louisiana Revised Statutes of 1950, the voters of Jefferson Parish elect the Jefferson Parish Coroner (the Coroner) for a four year term. The Coroner investigates all deaths, performs autopsies, furnishes death certificates, and examines other cases for other crimes under police investigation.

Reporting Entity

The basic financial statements of the Coroner include the general fund and activities that are within the oversight responsibility of the Coroner as an independently elected parish official. The Coroner is solely responsible for the operations of his office and, accordingly, is a separate governmental reporting entity. Certain units of local government, over which the Coroner 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 basic financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Coroner.

Basis of Presentation and Accounting

The Governmental Accounting Standards Board (GASB) promulgates accounting principles generally accepted in the United States of America and reporting standards for state and local governments. These principles are found in the *Codification on Governmental Accounting and Financial Reporting Standards*, published by the GASB. The accompanying basic financial statements of the Coroner have been prepared in conformity with such principles.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Coroner. The Coroner's activities are financed through taxes, intergovernmental revenues, service fees and other non-exchange transactions. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. The Statement of Activities presents a comparison between direct expenses and program revenues for the activities of the Coroner. Direct expenses are those that are clearly identifiable with a specific function or segment.

JEFFERSON PARISH CORONER'S OFFICE

NOTES TO FINANCIAL STATEMENTS-CONTINUED

December 31, 2017

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Government-Wide Financial Statements - Continued

Program revenues consist of charges for services, which are revenues from exchanges or exchange-like transactions with external parties that purchase, use or directly benefit from the program's goods, services, or privileges. Program revenues also consist of operating grants and contributions, which are resources restricted for operating purposes of a program. These include grants and contributions with restrictions that permit the resources to be used for a program's operating or capital needs at the recipient government's discretion. Other items not properly included among program revenues are reported instead as general revenues.

Assets used in operations with an initial useful life that extends beyond one year are capitalized. Equipment, furniture and fixtures, leasehold improvements, and buildings are depreciated over their estimated useful lives. Depreciation is not calculated on land or construction in progress. Capital assets are recorded net of depreciation in the Statement of Net Position.

Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the Coroner considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Those revenues susceptible to accrual are ad valorem taxes, state revenue sharing, interest income, and fees charged for autopsies, death certificates, and criminal investigations. Grants associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available when the Coroner receives cash.

JEFFERSON PARISH CORONER'S OFFICE

NOTES TO FINANCIAL STATEMENTS-CONTINUED

December 31, 2017

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial Statement Presentation

The Coroner uses funds to report on its financial position and the result of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund has a self-balancing set of accounts. Funds of the Coroner are classified as governmental funds. Governmental funds account for the Coroner's general activities, including the collection and disbursement of specific or legally restricted monies. The only fund in 2017 for the Coroner is the General Fund which is the operating fund. The General Fund accounted for all of the financial resources.

Use of Estimates

The preparation of the Coroner's financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are different from the estimates used in the 2017 financial statements.

Budget and Budgetary Accounting

Formal budgetary accounting is employed as a management control device during the year for the General Fund. The budget is adopted for the General Fund on a basis consistent with generally accepted accounting principles (GAAP). All appropriations, which are not expended, lapse at year-end.

Cash and Cash Equivalents

Cash includes amounts in demand deposits and certificates of deposits. For presentation in the financial statements, investments with an original maturity of three months or less at the time they are purchased by the Coroner are considered to be cash equivalents.

JEFFERSON PARISH CORONER'S OFFICE
 NOTES TO FINANCIAL STATEMENTS-CONTINUED
 December 31, 2017

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital Assets

Capital assets are recorded as expenditures in the General Fund at the time of purchase, and the related assets are capitalized. All purchased capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets, if any, are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Assets over \$500 are capitalized.

Depreciation is computed using the straight-line method over the following estimated lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	5 - 40 years
Furniture and equipment	3 - 10 years

Prepaid Expenses

Prepaid expenses record payments to vendors that benefit future reporting periods. As of December 31, 2017, prepaid expenses represent the unused portion of insurance policies in effect at year-end and the prepaid portion of leased assets.

Allowance for Uncollectible Receivables

The Coroner's primary revenue source, ad valorem taxes, becomes delinquent if not paid by March 1 following the year of assessment. Unpaid taxes attach as an enforceable lien on property. The Coroner has determined, based on prior historical information, that current uncollectible amounts are approximately 3% of the tax levy. At December 31, 2017, the amount of allowance for uncollectible receivables was \$164,871.

Ad Valorem Taxes

Ad valorem taxes are normally levied in November and billed in December. These taxes are due in January of the following year. Any unpaid taxes are collected in connection with an auction held in May. The Sheriff's department bills and collects the Coroner's ad valorem taxes. Ad valorem taxes are levied based on property values determined by the Jefferson Parish Assessor (a separate entity).

JEFFERSON PARISH CORONER'S OFFICE

NOTES TO FINANCIAL STATEMENTS-CONTINUED

December 31, 2017

NOTE I — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Balance

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances are classified as follows:

Nonspendable — This component consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted — This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Coroner to assess, levy, change or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed — This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Coroner. Those committed amounts cannot be used for any other purpose unless the Coroner removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.

Assigned — This component consists of amounts that are constrained by the Coroner's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned — This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund.

Nonspendable amounts as of December 31, 2017 consisted of the following:

Prepaid lease asset	\$ 69,868
Prepaid Insurance	<u>122,466</u>
TOTAL	<u>\$ 192,334</u>

JEFFERSON PARISH CORONER'S OFFICE

NOTES TO FINANCIAL STATEMENTS-CONTINUED

December 31, 2017

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Balance – Continued

Committed fund balance as of December 31, 2017, consists of amounts committed by formal action of the Coroner for emergency and disaster provisions.

The Coroner considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The Coroner also considers committed fund balances to be spent first when other unrestricted fund balance classifications are available for use.

Net Position

Net position represents the difference between assets and liabilities. Net position that is invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by district legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

Pension Plan and Compensated Absences

The Coroner contributes to a pension plan for its full-time employees (Note 10). Employees of the Coroner's office earn twenty-six days of vacation and sick leave each year. Vacation and sick leave must be taken in the year earned. Upon termination of employment, all unused vacation and sick leave is forfeited; therefore, no liability has been recorded at December 31, 2017.

Accounts Payable and Accrued Expenses

Accounts payable represent amounts incurred and billed for materials, supplies, and services purchased by the Coroner. Accrued expenses such as interest, payroll and related taxes, and other consist of expenses and obligations which have been incurred but not yet invoiced as of December 31, 2017.

JEFFERSON PARISH CORONER'S OFFICE
 NOTES TO FINANCIAL STATEMENTS-CONTINUED
 December 31, 2017

NOTE 2 — STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

In accordance with the Louisiana Local Government Budget Act, the procedures used by the Coroner in establishing the budgetary data reflected in the financial statements include public notices of the proposed budget, public inspections, and public hearings. The Coroner then legally adopts the budget.

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund presents a comparison of the legally adopted budget with actual data.

NOTE 3 — CONCENTRATION OF CREDIT RISK

At December 31, 2017, the carrying amount of the Coroner's cash and cash equivalent deposits was \$6,519,958 and the related bank balance was \$6,697,201. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance and/or the pledge of securities owned by the fiscal agent bank. 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. As of December 31, 2017, these deposits are secured from risk by \$250,000 in federal deposit insurance and \$6,447,201 of pledged securities held by the custodial banks in the name of the fiscal agent bank.

NOTE 4 — CONCENTRATION OF REVENUES

Of the Coroner's revenues, \$5,288,026 (87%) of revenues were obtained through a single source, ad valorem taxes, for the year ended December 31, 2017.

NOTE 5 — ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2017 were comprised of the following:

Ad valorem taxes	\$ 5,495,700
State revenue sharing	<u>68,885</u>
Total receivables	5,564,585
Less allowance for uncollectible receivables	<u>(164,871)</u>
Total receivables, net	<u>\$ 5,399,714</u>

JEFFERSON PARISH CORONER'S OFFICE

NOTES TO FINANCIAL STATEMENTS-CONTINUED

December 31, 2017

NOTE 6 — DUE FROM OTHER GOVERNMENTAL ENTITIES

Amounts due from other governmental entities consist of the following as of December 31, 2017:

Grant Parish	\$	5,512
Lafourche Parish		6,441
LSU Health Sciences		12,500
Plaquemines Parish		4,513
St. Bernard Parish		17,375
Tangipahoa Parish		2,001
Other Parishes		<u>64,049</u>
Total	\$	<u>112,391</u>

NOTE 7 — CHANGES IN CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2017:

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
Land	\$ 178,280	\$ 544,180	\$ -	\$ 722,460
Depreciable assets:				
Buildings and improvements	6,002,626	401,717	(8,837)	6,395,506
Furniture and equipment	<u>1,310,080</u>	<u>31,425</u>	<u>-</u>	<u>1,341,505</u>
Total depreciable assets	7,312,706	433,142	(8,837)	7,737,011
Less accumulated depreciation	<u>(3,693,032)</u>	<u>(273,297)</u>	<u>6,996</u>	<u>(3,959,333)</u>
Net capital assets	<u>\$ 3,797,954</u>	<u>\$ 704,025</u>	<u>\$ (1,841)</u>	<u>\$4,500,138</u>

NOTE 8 — LEASE OBLIGATIONS AND NOTES PAYABLE

The Coroner has various operating leases for automobiles and copy machines. During 2017, the Coroner entered into some leases for automobiles and prepaid the leases in full.

NOTE 9 — AD VALOREM TAXES

The Coroner's office is authorized to levy a 1.56 mill ad valorem tax. This millage will be up for renewal in 2020.

JEFFERSON PARISH CORONER'S OFFICE

NOTES TO FINANCIAL STATEMENTS-CONTINUED

December 31, 2017

NOTE 10 — PENSION PLAN

Plan Description

The Parochial Employees' Retirement System Board of Trustees (The "Board") administers the Parochial Employees' Retirement System (the "System"). Employees of the Coroner's Office are eligible for participation in the System – a cost-sharing, multiple-employer defined benefit pension plan established as of January 1, 1953, by Act 205 of the 1952 Regular Session of the Louisiana Legislature. The System was revised by Act No. 765 of 1979, effective January 1, 1980, to create the Plan A and Plan B fund to replace the "regular plan" and the "supplemental plan". The Plan is operating pursuant to LA R.S. 11:1901 through 11:2015. The System covers employees who were hired subsequent to December 15, 1979. Substantially all employees of the Coroner's Office are members of Plan A. The System issues a publicly available financial report that can be obtained at www.persla.org. The report may also be obtained by writing to the Parochial Employees' Retirement System of Louisiana, 7905 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361.

Benefits Provided

The System provides retirement, disability, and death benefits. Retirement benefits are determined as 3.0% of the employee's final compensation multiplied by the employee's years of creditable service. Employees who retire at or after age 65 with at least 7 years of creditable service, age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3.0% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Under state law, cost of living increases to benefits are allowable only if sufficient funds are available from investment income in excess of normal requirements. Cost of living increases cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement.

Contributions

Per Act 765 of the 1979 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year by the System's Board of Trustees. Employees are required to contribute 9.5% of their annual pay. The Coroner's contractually required contribution rate was 12.5% for the year ended December 31, 2017.

Contributions to the System from the Coroner were \$281,914 for the year ended December 31, 2017.

JEFFERSON PARISH CORONER'S OFFICE
 NOTES TO FINANCIAL STATEMENTS-CONTINUED
 December 31, 2017

NOTE 10 — PENSION PLAN - CONTINUED

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

At December 31, 2017, the Coroner reported a liability of \$772,325 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Coroner's proportion of the net pension liability was based on a projection of the Coroner's December 31, 2017 contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2016, the Coroner's proportion was 0.374996%, which was an increase of 0.038853% from its proportion measured as of December 31, 2015. For the year ended December 31, 2017, the Coroner recognized pension expense of \$443,171. At December 31, 2017, the Coroner reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 135,150
Net difference between projected and actual investment earnings on pension plan investments	599,353	-
Changes of assumptions	146,630	-
Changes in proportion and differences between the Coroner's contributions and proportionate share of contributions	1,500	-
Post measurement date contributions	<u>281,914</u>	<u>-</u>
	<u>\$ 1,029,397</u>	<u>\$ 135,150</u>

\$281,914 reported as deferred outflows of resources related to pensions resulting from the Coroner's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ending:

December 31, 2018	\$ 227,683
December 31, 2019	242,876
December 31, 2020	157,968
December 31, 2021	(16,193)

JEFFERSON PARISH CORONER'S OFFICE
NOTES TO FINANCIAL STATEMENTS-CONTINUED
December 31, 2017

NOTE 10 — PENSION PLAN - CONTINUED

Actuarial Assumptions

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	5.25% (2.50% Inflation, 2.75% Merit)
Investment Rate of Return	7.00%, net of Investment Expense
Mortality	RP-2000 Employee Sex Distinct Table for active members. RP-2000 Healthy Annuitant Sex Distinct Table for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality was selected for disabled annuitants.

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating employers will be made at the actuarially determined rates approved by the Louisiana Public Retirement Systems' Actuarial Committee ("PRSAC") taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates 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 rates 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 of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.

JEFFERSON PARISH CORONER'S OFFICE
 NOTES TO FINANCIAL STATEMENTS-CONTINUED
 December 31, 2017

NOTE 10 — PENSION PLAN – CONTINUED

Actuarial Assumptions - Continued

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	35.00%	1.24%
Equity	52.00%	3.63%
Alternatives	11.00%	0.67%
Real Assets	<u>2.00%</u>	<u>0.12%</u>
Total	<u>100.00%</u>	5.66%
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		7.66%

The mortality rate assumption used in the December 31, 2016, valuation was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 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 System's liabilities. The RP-2000 Healthy Annuitant Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using a Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back five years for males and three years for females. For active employees, the RP-2000 Employee Sex Distinct Tables set back four years for males and three years for females was used.

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

The following presents the Coroner's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Coroner's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

	1.00% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1.00% Increase <u>(8.00%)</u>
The Coroner's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,310,335	\$ 772,325	\$(528,109)

JEFFERSON PARISH CORONER'S OFFICE
NOTES TO FINANCIAL STATEMENTS-CONTINUED
December 31, 2017

NOTE 10 — PENSION PLAN – CONTINUED

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued System financial report.

Payables to the Pension Plan – As of December 31, 2017, the Coroner did not have any payables due to the System.

NOTE 11 — CONTINGENCIES

The Coroner is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Coroner carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the current year.

NOTE 12 — INTERGOVERNMENTAL AGREEMENTS

Jefferson Parish and the Coroner verbally agreed for Jefferson Parish to provide payroll services for the Coroner. The Coroner is charged a flat fee for each employee on a monthly basis.

NOTE 13 — FEDERAL AND STATE GRANTS

In the normal course of operations, the Coroner received grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authorities; the purpose is to ensure compliance with conditions precedent to granting the funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

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NOTE 14 — HEALTH CARE COVERAGE

Effective January 1, 2013, the Coroner provides health insurance to its employees exclusively through health-maintenance organizations (HMO's) and point-of-service organizations (PPO's). Prior to this the Coroner was self-insured. Medical insurance expense, including premiums and claims paid, for the year ended December 31, 2017 was \$427,485. Unpaid claims including those incurred but not recorded related to the Coroner's self-insurance plan as of December 31, 2017 were \$5,775.

NOTE 15 – STABILIZATION ARRANGEMENT

On June 14, 2013, the Coroner established a stabilization account effective December 31, 2012 for the purpose of committing funds for emergency and disaster recover purposes. The account was funded from the committing of funds as of December 31, 2012. All expenditures from the account must be approved by the Coroner and for the specific purpose of emergency or disaster recovery. As of December 31, 2017, the account had a balance of \$6,039,800.

JEFFERSON PARISH CORONER'S OFFICE
NOTES TO FINANCIAL STATEMENTS-CONTINUED
December 31, 2017

NOTE 16 — SUBSEQUENT EVENTS

Subsequent events were evaluated through June 21, 2018, which is the date the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2017 that required recognition or disclosure in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

JEFFERSON PARISH CORONER'S OFFICE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
REVENUES				
Ad valorem taxes	\$ 5,200,000	\$ 5,200,000	\$ 5,203,679	\$ 3,679
Intergovernmental				
- state revenue sharing	75,000	75,000	102,835	27,835
Charges for services	335,625	335,625	385,433	49,808
Grants and agreements	226,500	226,500	136,865	(89,635)
Interest income	90,000	90,000	109,164	19,164
Court fines	40,000	40,000	35,556	(4,444)
Other revenues	<u>500</u>	<u>500</u>	<u>2,253</u>	<u>1,753</u>
Total revenues	5,967,625	5,967,625	5,975,785	8,160
EXPENDITURES				
Salaries and benefits	2,764,000	2,764,000	2,779,118	(15,118)
Insurance	604,000	604,000	607,259	(3,259)
Contract services	741,000	741,000	578,185	162,815
Deductions from ad valorem	15,000	15,000	32,144	(17,144)
Legal and professional fees	220,000	220,000	190,172	29,828
Automobile expenses	163,000	163,000	163,328	(328)
Morgue supplies	60,000	60,000	52,938	7,062
Autopsies and laboratory testing	195,000	195,000	187,683	7,317
Dental, x-ray and anthropology	8,000	8,000	300	7,700
Grants	2,500	2,500	50,759	(48,259)
Computer expenses	75,000	75,000	60,825	14,175
Miscellaneous	166,000	166,000	86,481	79,519
Office expenses	59,000	59,000	55,516	3,484
Repairs and maintenance	270,000	270,000	188,441	81,559
Seminars and training	35,000	35,000	35,465	(465)
Communications	60,000	60,000	44,512	15,488
Utilities	83,250	83,250	79,439	3,811
Interest	500	500	-	500
Capital outlay	<u>412,500</u>	<u>912,500</u>	<u>977,322</u>	<u>(64,822)</u>
Total expenditures	<u>5,933,750</u>	<u>6,433,750</u>	<u>6,169,887</u>	<u>263,863</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	33,875	(466,125)	(194,102)	272,023
OTHER FINANCING SOURCE				
Current year prepayment of long-term leases	<u>-</u>	<u>-</u>	<u>52,483</u>	<u>52,483</u>

JEFFERSON PARISH CORONER'S OFFICE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE-GENERAL FUND-BUDGET AND ACTUAL - CONTINUED
 For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
NET CHANGE IN FUND BALANCE	33,875	(466,125)	(141,619)	324,506
FUND BALANCE - Beginning of year	<u>11,855,736</u>	<u>11,855,736</u>	<u>11,855,736</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ 11,889,611</u>	<u>\$ 11,389,611</u>	<u>\$ 11,714,117</u>	<u>\$ 324,506</u>

JEFFERSON PARISH CORONER'S OFFICE
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Years Ended December 31, 2017 Through 2014

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
12/31/2014	0.397580%	\$ 28,254	\$ 2,165,768	1.30%	99.77%
12/31/2015	0.389994%	106,627	2,222,140	4.80%	99.15%
12/31/2016	0.413850%	1,089,307	2,321,250	45.85%	99.15%
12/31/2017	0.374996%	772,325	2,513,685	30.72%	94.15%

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous calendar year.

JEFFERSON PARISH CORONER'S OFFICE

SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS

For the Years Ended December 31, 2017 Through 2014

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Employer's Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered- Employee Payroll</u>
12/31/2014	\$ 362,766	\$ 362,766	\$ -	\$ 2,165,768	17.0%
12/31/2015	355,553	355,553	-	2,222,140	16.0%
12/31/2016	344,492	344,492	-	2,321,250	14.5%
12/31/2017	289,495	289,495	-	2,513,685	11.52%

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous calendar year.

OTHER SUPPLEMENTAL INFORMATION

JEFFERSON PARISH CORONER'S OFFICE
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEADS
December 31, 2017

Agency Head Name: *Gerald A. Cvitanovich, M.D.*

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 73,572
Benefits – insurance	20,532
Benefits – retirement	9,031
Vehicle provided by government	3,313
Cell phone	<u>480</u>
Total	<u>\$ 106,928</u>

OTHER INDEPENDENT AUDITORS' REPORT

Kushner LaGraize, L.L.C.

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

Gerald A. Cvitanovich, M.D.
Jefferson Parish Coroner's Office
Harvey, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Jefferson Parish Coroner's Office (the Coroner) as of and for the year ended December 31, 2017, and the related notes to the financial statements, and have issued our report thereon dated June 21, 2018.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings as item 2017-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

The Coroner's Response to Findings

The Coroner's response to the finding identified in our audit is described in the accompanying schedule of findings. The Coroner'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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

KUSHNER LAGRAIZE, L.L.C.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
June 21, 2018

JEFFERSON PARISH CORONER'S OFFICE
SCHEDULE OF FINDINGS
For The Year Ended December 31, 2017

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:		UNMODIFIED
Internal control over financial reporting:		
Material weaknesses identified?	_____yes	___X___no
Significant deficiencies identified not considered to be material weaknesses?	___X___yes	_____none reported
Noncompliance material to financial statements noted?	_____yes	___X___no

SECTION II – FINANCIAL STATEMENT FINDINGS

Significant Deficiencies:

2017-001

Criteria:

Management is responsible for developing internal controls related to the preparation of financial statements as well as preparing financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Condition:

Management has chosen to engage the auditor to prepare the annual financial statements in accordance with GAAP. Under GAAP, this condition represents a significant deficiency in internal controls. AU-C Section 265 requires that we report the above condition as a control deficiency. This section does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor of deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

JEFFERSON PARISH CORONER'S OFFICE
SCHEDULE OF FINDINGS - CONTINUED
For The Year Ended December 31, 2017

Cause:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the Coroner's annual financial statements. This condition is intentional by management based upon the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established.

Effect:

Engaging the auditor to prepare the annual financial statements in accordance with GAAP is a significant deficiency in internal control.

Recommendation:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying AU-C 265's reporting requirements. Because prudent management requires that the potential benefit from an internal control should exceed its costs, it may not be practical to correct all the deficiencies an auditor reports under AU-C 265. As such, we do not believe that any corrective action is necessary.

Management's Response:

Management concurred with the recommendation. See management's corrective action plan.

JEFFERSON PARISH CORONER'S OFFICE

SCHEDULE OF PRIOR YEAR FINDINGS

December 31, 2017

SECTION I – FINANCIAL STATEMENT FINDINGS

2016 – 001 – Financial Statement Preparation – Unresolved see 2017-001.

2016 – 002 – Ethics Training Compliance – Resolved.

SECTION II – MANAGEMENT LETTER COMMENTS

None.



GERRY CVITANOVICH, M.D.
Coroner

**CORRECTIVE ACTION PLAN
INTERNAL CONTROL AND COMPLIANCE
SCHEDULE OF FINDINGS**
For the Year Ended December 31, 2017

Louisiana State Legislative Auditor

The Jefferson Parish Coroner's Office respectfully submits the corrective action plan for the advisory comments for the year ended December 31, 2017.

Independent Public Accounting Firm
Kushner LaGraize, LLC
3330 W. Esplanade Ave.
Suite 100
Metairie, LA 70002

Audit period: January 1, 2017-December 31, 2017

2017-01

Condition

Management has chosen to engage the auditor to prepare the annual financial statements in accordance with GAAP. Under GAAP, this condition represents a significant deficiency in internal controls. AU-C Section 265 requires that we report the above condition as a control deficiency. This section does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor of deficiencies for which the remedy would be cost prohibitive or otherwise impractical.



Recommendation

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying AU-C 265's reporting requirements. Because prudent management requires that the potential benefit from an internal control should exceed its costs, it may not be practical to correct all the deficiencies an auditor reports under AU-C 265. As such, we do not believe that any corrective action is necessary.

Management's Response

Proper management of public funds is essential. After careful analysis it is apparent that it is more cost effective, and thus a more prudent business decision, to engage the auditor to prepare the annual financial statements in accordance with GAAP.

Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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Members
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Society of Louisiana CPA's

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To Dr. Gerry Cvitanovich, M.D., and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Jefferson Parish Coroner's Office (the Coroner) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

We obtained the entity's policies on budgeting and noted no exceptions.

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.

We obtained the entity's policies on purchasing and noted no exceptions.

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

We obtained the entity's policies on disbursements and noted no exceptions.

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

We obtained the entity's policies on receipts and noted no exceptions.

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

We obtained the entity's payroll and personnel policies and noted no exceptions.

- 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.

We obtained the entity's policies on contracting and noted no exceptions.

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

We obtained the entity's policies on credit cards and noted no exceptions.

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

We obtained the entity's policies on travel and expense reimbursements and noted no exceptions.

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

We obtained the entity's policies on ethics and noted no exceptions.

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

N/A – The entity does not hold any debt.

Council (or Finance Committee, if applicable)

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

N/A – The entity does not have an oversight council.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

N/A – The entity does not have an oversight council.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one council meeting during the fiscal period reflect that the council is monitoring the plan.

N/A – The entity does not have an oversight council.

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

N/A – The entity does not have an oversight council.

Bank Reconciliations

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

We were provided with the listing showing all deposit accounts and management's representation that this list was complete.

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

- a) Bank reconciliations have been prepared;

We were provided with reconciliations for each account for every month of the fiscal year.

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

We noted the bank reconciliations contained evidence of approval by the Director of Operations.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

We noted items outstanding for more than 6 months at the end of the fiscal period. Management provided us with documentation showing that it has researched these items.

Collections

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

Management provided the listing, showing all collection locations and management's representation that the listing is complete.

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

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

Management provided required documentation for all collection locations. It was noted that the entity does not have a policy covering theft of cash by employees responsible for cash collections. The entity only accepts checks and has a policy covering electronic theft by employees.

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

Management provided the documentation for all selected locations. No exceptions were noted.

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

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

Management provided the required documentation for the selected deposits. Of the 4 deposits tested, 2 were not made within one day of receipt. The number of days from receipt to deposit ranged from 4 to 15 days.

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

Management provided the required documentation for the selected deposits. We noted no exceptions.

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

Management provided the policy manual containing a process to determine completeness of collections. We noted no exceptions with this policy.

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

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

Management provided the general ledger and we obtained management's representation that the general ledger is complete. We filtered for disbursements and removed credit card/debit card/fuel card/P-card purchases and travel and expense reimbursements.

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

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

We noted that the entity utilizes an equivalent electronic system that separates purchase initiation from purchase approval, without exception.

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

Each selection showed evidence of approval by a person who did not initiate the purchase, without exception.

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

All appropriate documentation was provided for each selection, without exception.

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

We obtained the required documentation and noted that the Director of Operations is responsible for adding vendors to the entity's system and is not responsible for processing payments.

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

We obtained the required documentation and noted that the Director of Operations is responsible for approving purchase orders. He is not responsible for initiating or recording purchases. However, he does have access to the system and can initiate purchases as necessary. All purchases initiated by the Director of Operations are required to be reviewed and approved by the Coroner or Deputy Coroner.

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

We noted the checks are maintained in a locked location by the Director of Finance and Administration. The Coroner and Deputy Coroner have signature authority and do not have access to the unused checks or the accounting system to print checks.

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

Per discussion with entity personnel, the entity does not utilize a signature stamp. All checks are required to have written signatures.

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

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

Management provided the requested list and management's representation that the listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

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

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

We noted that all selected statements and supporting documentation showed evidence of review and approval by someone other than the authorized card holder.

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

We noted no finance charges or late fees assessed on the statements selected.

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

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

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

We were provided with an original itemized receipt for each of the selected transactions, without exception.

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

We noted documentation of the business/public purpose on each of the selected transactions, without exception.

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

We noted all required documentation was provided with each of the selected transactions, without exception.

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

We noted all transactions reviewed were allowable under the entity's written policies and procedures, without exception. No transactions were subject to the Louisiana Public Bid Law.

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

We noted no exceptions in the selected transactions.

Travel and Expense Reimbursement

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

Management provided the requested listing and management's representation that the listing is complete.

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

Obtained and reviewed the entity's policies, noting that some of the per diem rates could exceed the GSA rates in certain circumstances.

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

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

We reviewed the travel reimbursements selected noting that the reimbursements were made in accordance with their policies and procedures.

b) Report whether each expense is supported by:

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

We were provided with an original itemized receipt for each of the selected transactions, without exception.

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

We noted documentation of the business/public purpose on each of the selected transactions, without exception.

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

We noted all required documentation was provided with each of the selected transactions, without exception.

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

We noted no exceptions in the selected transactions.

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

We noted that all selected transactions showed evidence of review and approval by someone other than the person receiving the reimbursement, without exception.

Contracts

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

Management provided the requested listing and management's representation that the listing is complete.

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

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

We were provided with formal/written contracts for each selection, without exception.

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

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

N/A – No contracts examined were subject to the Louisiana Public Bid Law or Procurement Code.

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

N/A – The entity was not required to solicit quotes for any of the contracts examined.

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

Noted only one contract examined was amended during the year. All amendments observed were in accordance with the original contract terms, without exception.

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

We noted no exceptions in the selected invoices.

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

N/A – No contracts examined were required to be approved by the Board.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Of the selected employees/officials, we noted no exceptions.

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

All changes noted in our selection were approved in writing and in accordance with the entity's written policy.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
 - a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Of the selected employees, we noted no exceptions related to documentation of daily attendance and leave.

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

Supervisory approvals were noted on all selections, without exception.

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

Written leave records were noted for all selections, without exception.

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

The entity did not make any termination payments during the year.

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

We obtained supporting documentation for all payroll tax and retirement contribution payments during the year, without exception. All payments and required reporting forms were submitted to the appropriate agencies by the required deadlines, without exception.

Ethics (excluding nonprofits)

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

We obtained the required ethics training documentation on the five selections, without exception.

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

Per management, there were no ethics violations reported during the fiscal period.

Debt Service (excluding nonprofits)

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

N/A – No debt was issued during the period.

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

N/A – The entity does not hold any debt.

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

N/A – No tax millages were related to debt service.

Other

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

Per management, there were no funds or assets misappropriated during the period.

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

We viewed the notice required by R.S. 24:523.1 posted on the entity's premise and website.

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

N/A – no exceptions noted.

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

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

Kushner LaGraize, L.L.C.

June 21, 2018
Metairie, Louisiana